

Congressional Record

PROCEEDINGS AND DEBATES OF THE SIXTY-NINTH CONGRESS FIRST SESSION

SENATE

WEDNESDAY, March 17, 1926

(Legislative day of Monday, March 15, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

INTERNATIONAL CONGRESS OF SOIL SCIENCE

Mr. NORRIS. Mr. President, I ask unanimous consent to report, from the Committee on Agriculture and Forestry, a joint resolution, and I ask for its immediate consideration. If there is any objection I will let it go to the calendar, but there certainly will be none.

The VICE PRESIDENT. The joint resolution will be read at length.

The joint resolution (S. J. Res. 74) authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress of Soil Science to be held in the United States in 1927, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the President be, and he is hereby, authorized and requested to extend invitations to foreign governments to be represented by delegates at the International Congress of Soil Science to be held in the United States in 1927.

Mr. NORRIS. The joint resolution simply carries out the recommendation of the President in his message.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRODUCTION OF COTTON IN AFRICA

Mr. RANSDELL. Mr. President, I ask unanimous consent to have printed in the Record an exceedingly interesting article appearing in the current number of the North American Review, entitled "Our African cotton rivals," by Judge Pierre Crabitès, a very eminent citizen of my State, who for many years has been judge of the Mixed Tribunal of Cairo, Egypt. He tells about the wonderful development of the cotton-producing industry on the upper Nile. I hope the article will be printed and that every Senator will read it. It is of intense public interest to every citizen of the United States who is interested in cotton, and that means all our people. The article appears in the North American Review, which is edited by George Harvey.

The VICE PRESIDENT. Without objection, the article will be printed as requested.

The article is as follows:

OUR AFRICAN COTTON RIVALS

(By Pierre Crabitès, judge of the Mixed Tribunal of Cairo, Egypt)

Born and reared on the banks of the Mississippi and called by my official duties to live in the valley of the Nile, I think in terms of cotton. As soon as I heard that Lord Allenby, then British high commissioner at Cairo, had issued orders that the Sudan government was authorized to draw from the Nile as much water as it might require for irrigation purposes my thoughts turned toward the fleecy staple. I visualized the possibility of at least a million more bales being thrown upon the market. I knew what this would do to the price of the raw product. I saw the reaction which this would have upon the economic wealth of the South.

In order that I may make my meaning clear I must wander a little into history and take a side-step into geography. Our great American Continent lies so very far away from Africa and we have so many problems of our own that I can not expect my fellow countrymen to follow me unless I lay my predicate, as the college professor expresses

it. It is hard for us to believe that anything can menace our hegemony. We have accomplished so much that we are inclined to look upon the sky as our limit. But as this cotton question touches directly every man, woman, and child in Dixieland, and indirectly the entire 110,000,000 inhabitants of the United States, it may not be amiss to delve for a few moments both into the past and into darkest Africa.

I

The Anglo-Egyptian Sudan, or literally the back country, is that territory bounded by Egypt on the north; Uganda on the south; the Red Sea, Eritrea, and Abyssinia on the east; and the French Sahara and the Belgian Congo on the west. Through it flow the three principal tributaries of the Nile—the Atbara and the Blue Nile, which rise in Abyssinia, and the White Nile, which has its source in Uganda. The White and Blue Niles unite at Khartoum to form the main river, into which the Atbara falls some 200 miles farther north. From the point where the White Nile enters the Sudan to the Egyptian frontier is over 2,000 miles. The "black country" is therefore twice as big as Germany and France together. It is practically as large as the Cotton Belt of the United States.

When the British in June, 1882, occupied Egypt the nominal authority of the Khedive extended over this vast area. But the worst forms of misgovernment there obtained. The rich soil on the banks of the Nile which had once been highly cultivated was abandoned. To quote the graphic language of Lord Cromer, "there was not a dog to howl for a lost master. Industry had vanished; oppression had driven the inhabitants from the soil. The entire country was leased out to piratical slave hunters under the name of traders by the Khartoum Government."

Shortly before the English landed their troops at Alexandria a revolt broke out in the Sudan, led by Muhammed Ahmed, the son of a Dongola carpenter. He proclaimed himself to be the Mahdi or Messiah of his people. The masses flocked to his standard. The Egyptian troops were unable to resist him. The Mahdi pressed forward and menaced Khartoum. The Khedive sent General Gordon to bring help to the beleaguered garrison, but the tragic end of that heroic soldier in 1885 closed a sad chapter in the history of the Sudan. Egypt was forced to withdraw from that country and to fix her southern boundary at Wadi Halfa.

For 10 years dervish hordes led by the Khalifa Abdullah, who had succeeded the Mahdi, ravaged the land which had surrendered to the forces of anarchy, but during this time British statesmanship was not idle. On the contrary, it recognized the fact that the most efficient way to reconquer the Sudan was to reorganize the finances of Egypt. It therefore allowed the "Black Country" to stew in its own juice until Lord Cromer got the Egyptian treasury into a condition of impregnable security. In the meantime British military experts took the army of the Khedive in hand and made of it an efficient fighting force. By 1896 it was felt that all preliminaries were ready, and it was decided to embark on the reconquest of the Sudan. The Dongola Province was occupied, and in due course Sir Herbert Kitchener won the battle of Omdurman, annihilated the dervishes, and became Lord Kitchener of Khartoum.

II

The Sudan having been reconquered, it was therefore decided that the new administration should create a partnership between England and Egypt for the government of the territory which this spirit of cooperation had redeemed. The country was accordingly officially designated as the Anglo-Egyptian Sudan. A treaty was also drafted which provides that—

- (1) The British and Egyptian flags should be used throughout the Sudan;
- (2) The supreme military and civil command should be vested in an officer termed "the governor general of the Sudan" and to be appointed by Khedivial decree on the recommendation of the British Government; and
- (3) Proclamations of the governor general should have the force of the law.

This agreement, which created what has come to be known as the Anglo-Egyptian condominium, was signed in 1899. It is still in force. Under it everything worked out admirably, until England, on February 28, 1922, announced that she abolished, in principle, her Egyptian protectorate. From that day to this the fat has been in the fire. The condominium set up no claim to a share of the water of the Nile for the Sudan, even although that stream flows for 2,000 miles across Sudan territory and for but 1,000 miles across Egyptian soil. The Sudan, in other words, was for centuries but an aqueduct through which the Nile carried water to Egypt. Lord Cromer, whose personality dominated Egypt and the Sudan, did nothing to disturb what may be styled the de facto status of Nile water rights. On the contrary, the benevolent autocrat of the Valley of the Nile gave the seal of his approval to existing conditions. This was done in no uncertain terms as early as 1903. At that time it was proposed to produce in the Sudan by irrigation exportable crops such as sugar and cotton.

The Anglo-Egyptian partnership did not then hold that as a riparian proprietor it had a right to draw water for its own purposes. Far from proceeding upon this theory, "as the available supply was strictly limited," writes Sir Murdoch Macdonald, then British adviser to the Egyptian ministry for public works, "an agreement was entered into between the Sudan and Egyptian Governments provisionally fixing the Sudan areas which could draw summer water at 10,000 feddans (approximately 10,000 acres). When the Assuan Dam was heightened a new agreement raised this figure to 20,000."

The jealousy with which Lord Cromer safeguarded the principle of the Nile water monopoly of Egypt is readily understood when it is borne in mind that that country was the apple of the eye of her regenerator. He had found Egypt a hopeless bankrupt, torn asunder by anarchy and drifting toward perdition. He made of her rejuvenation his life work. He conquered the Sudan in order to safeguard Egypt. Until February 28, 1922, when the British abolished their protectorate over Egypt, the Nile was looked upon by England, by Egypt, and by the Sudan as Egypt's river. Egypt was the exclusive beneficiary of this franchise, except to the limited extent that the Sudan had been graciously permitted to irrigate a small tract of land. Nothing was done officially until November 22, 1924, to impair the Nile water tradition which had become the cornerstone of the relation between Egypt and the Sudan.

III

Sir Lee Stack, the sirdar of the Egyptian Army and Governor General of the Sudan, was assassinated on November 18, 1924. This brutal murder shocked the entire newspaper reading public of the whole world. It was a wanton crime, as stupid as it was cruel. It sent to an untimely grave a lovable Irish gentleman, a man overflowing with human kindness, generous to a fault, as brave as a lion, and withal as gentle as a woman. I knew him but slightly, but there was something so contagious about his personality, something so irresistible about his smile, in a word something so very magnetic about him, that though I was in America when he passed away, I felt a sense of personal bereavement at his loss. I therefore can readily understand how so eminently human a diplomatist as Lord Allenby, the British high commissioner at Cairo, felt when the bleeding body of his friend and fellow soldier was carried to the residency on that fateful day. The hero of Jerusalem saw, and I admire him for so seeing, that this was not the time to mince words, it was not the moment to seek for euphemistic phrases or to cover a mailed fist with a velvet glove. It was the hour when a spade should be called a spade, when an honorable man was entitled to curse, and when the strongest language was the only appropriate mode of speech. Lord Allenby rose to the occasion, as he has risen to every emergency which it has been his lot to face. Englishmen who are in a position to know what goes on behind the scenes have assured me that his ire was epic in its righteous fury. It appears that certain Egyptians who called on him to express their sympathy received a raking over the coals which was as sincere as it was unexpected. Receiving what he did not consider an adequate reply, he forthwith advised the Egyptian authorities that "instructions are being sent to the Sudan Government:

"Firstly, to effect the withdrawal from the Sudan of all Egyptian officers and purely Egyptian units of the Egyptian Army"; and

"Secondly, that the Sudan Government is at liberty to increase the area to be irrigated at Gezira from 300,000 feddans to an unlimited figure as the need may arise."

The first part of this order deals with a matter which does not concern me. The second part of it is the pivot around which my story revolves.

As soon as the Egyptian public heard of this ultimatum it was flabbergasted, dumbfounded, petrified. The fine of 500,000 Egyptian pounds (\$2,300,000) which Lord Allenby had assessed upon Egypt as punitive damages for the assassination of the sirdar, was paid without hesitation and almost without a flicker. The money was in the bank. To withdraw it was a mere matter of bookkeeping which interested the Ministry of Finance, but which did not make any impression upon the fellah. But when Lord Allenby spoke in terms of water, his language went home to every man and woman in Egypt. He touched upon the one subject which every Egyptian understands. And rightfully so,

for, withdraw the water of the Nile from the Delta of Egypt, and its verdant fields will turn overnight into a barren waste. The country is practically rainless. Without the Nile it would again become a desert—"for dust thou art and to dust thou shalt return."

I know that lawyers may argue that the Allenby ultimatum evolved a form of chastisement unknown to the penal code. I am aware of the fact that Edmund Burke insisted that he did not know how to draw up an indictment against a whole people. I do not attempt to controvert either of these propositions. All that I say is that the British were face to face with a condition and not with a theory. At least 40 Englishmen had been sniped in broad daylight during the 18 months which preceded the Stack murder. The killings had taken place in frequented parts of Cairo. The murderers wore no masks, and yet no witnesses could be found to identify any of them. Something had to be done, and this "water cure" was the most effective available remedy. But it was drastic. It turned the Egyptian water monopoly into a Sudan water monopoly. It did more than this; it potentially condemned 14,000,000 people to famine. It made future generations responsible for the crimes committed in 1924.

Strictly speaking, I am in no sense concerned with the punishment meted out to Egypt. If I have spoken of the matter at all it is only because the Southern States of the American Union are about to be made to suffer for the assassination of the sirdar. Assuredly they had nothing to do with the crime. I, as a southerner, can not see them dealt a body blow without raising my voice. To make my meaning clear, to drive home my point, I shall be forced to examine in some detail the available water supply of the Nile. It may appear, at first blush, as if I am pleading Egypt's case. I shall not do so. I am thinking only of my own flesh and blood. Every argument which I may adduce has but one impelling cause and but one aim—to save Louisiana and her sister States from paying the penalty for a crime committed by others.

IV

The ukase of November 22, 1924, had two main objectives. In the first place it was desired to put the fear of God into the breasts of the Egyptians. This result was obtained. In the second instance it was deemed opportune to strike while the iron was hot and to reverse with one stroke the former British policy in regard to Nile water.

But when the morrow afforded time for reflection it was perceived that an official undertaking given by the Prime Minister, Mr. Lloyd-George, in the British House of Commons on February 28, 1922, made it extremely difficult for England to enforce the letter of this "right about face" order. It will be recalled that Downing Street had evolved, for Egypt a new form of sovereignty, that of independence "with reservations." In giving birth to this rara avis Mr. Lloyd-George said:

"The final clause of the declaration defines the special relations between His Majesty's Government and Egypt. It declares that the following four points are absolutely reserved to the discretion of His Majesty's Government:

"(a) The security of the communications of the British Empire in Egypt;

"(b) The defense of Egypt against all foreign aggression or interference direct or indirect;

"(c) The protection of foreign interests in Egypt and the protection of minorities; and

"(d) The Sudan.

"We are prepared to make agreements with the Egyptian Government upon these matters in a spirit of mutual accommodation whenever a favorable opportunity arises for the conclusion of such agreements. But until such agreements, satisfactory both to ourselves and to the Egyptian Government, are concluded, the status quo will remain intact."

This meant in plain language, that until London and Cairo got together, the Sudan had to remain the tail to Egypt's kite, come what may, come what will. I mean by this that the British Foreign Office so construed its own words as soon as it recovered from the shock of the Stack crime.

Ziwar Pasha, the Egyptian Prime Minister, an Egyptian patriot and in no sense unfriendly to England, wrote to Lord Allenby that the water clause in the ultimatum had aroused very great anxiety in Egypt. He reminded the high commissioner that the Egyptian Government had always maintained that the development of the Sudan should not be of a nature to harm irrigation in Egypt or to prejudice the future projects which were necessary to meet her rapidly increasing population. He added that he believed that he was not mistaken in affirming that this principle had been fully admitted by His Britannic Majesty's Government, and he therefore invited the high commissioner to revoke the instructions given to the Sudan:

"Lord Allenby replied that the British Government has no intention of trespassing on the natural historic rights of Egypt in the waters of the Nile and in giving instructions to the Sudan Government the British Government had intended that they be construed in this sense. Moved by these considerations His Majesty's Government was disposed to direct the Sudan Government not to give effect to the previous instructions regarding the unlimited development of the Gezira men-

tioned in the note of November 22, on the understanding that an expert committee composed of Mr. J. J. Canter Cremers, as chairman, who has been chosen by an agreement between the two governments, Mr. R. H. McGregor, British delegate, and Abd el Hamid Pasha Suleiman, who had been selected by the Egyptian Government, shall meet not later than February 15 for the purpose of examining the subject and proposing a basis on which irrigation can be carried out with full consideration for the interests of Egypt and without detriment to her natural historic rights."

In commenting upon this correspondence the semi-official London Times points out that the water of the Blue Nile, at its low stage, had in the past been earmarked for the Sudan by eminent irrigation authorities, and that the White Nile had been similarly attributed to Egypt. The article adds that—

"the only justification for the appointment of the new commission can be the hope that its recommendations will lead to the final settlement to the mutual satisfaction of both countries of a question that has been allowed to lose its purely technical character and embitter their relations. Such a settlement would take the form of a friendly agreement between Egypt and the Sudan, which would establish the vested rights of each, lay down a system for the allocation of available and future supplies of water, and set up machinery whereby the agreement should be interpreted, differences of opinion between the two governments adjusted, further conservation works decided upon, and the proportion of their cost allotted to the two countries."

I have burdened my text with these quotations because I have felt that the documents should speak for themselves. I have thought, however, that it might be interesting to see what the semi-official London Times has had to say about the matter. It is so often inspired that laymen are entitled to attach importance to its statements. I must hasten to add, nevertheless, that the Mr. Cremers who was made chairman of this board was a Hollander. He was a consulting engineer attached to the Dutch Ministry of Waterways and Dutch delegate on the Central Commission of the Rhine. His credentials were therefore of the highest quality. But why this post was taken away from the United States is a mystery to me. Perhaps I should not say that this billet "was taken away from the United States," but here are the facts. During the latter years of the war a bitter controversy went on as to projects for augmenting the Nile water supply. Two distinguished Englishmen fought to the knife and from the knife to the hilt. Egyptian public opinion was very much interested in the controversy, as one of the two antagonists, Sir William Willcocks, an engineer of repute and of high character, charged the British adviser to the Egyptian Ministry of Public Works with having prepared plans for conservation work on the upper Nile based upon erroneous data. The discussion widened, and Lord Allenby in the autumn of 1919 appointed a commission to inquire into the whole water problem, except that of a division of the supply between Egypt and the Sudan. This issue was not submitted. In those days, just after the armistice, all thoughts turned to America as the one and only place to seek the "foreign" member of this commission. The outstanding ability of Mr. H. T. Cory, of California, called his name to the attention of the Anglo-Egyptian authorities. He was chosen. He fulfilled his mission with the success characteristic of all of his work. I have repeatedly heard both Englishmen and Egyptians speak in the highest terms of his services. His report submitted, Mr. Cory returned to the United States. Of course, neither he nor any American had a right of pre-emption to a seat upon the new board, but it does seem passing strange that in 1924 a Dutchman should have been called to fill a post that public opinion forced upon an American in 1919.

It was desired that this new commission submit its report before June 30, 1925. It got down to its task, but in April typhoid fever overtook Mr. Cremers and all work stopped. On June 23, 1925, he died. Mr. McGregor had in the meantime returned to Europe. In view of Mr. Cremers's death it is impossible to say when the report will be ready.

V

I have no inside knowledge as to what form the report of the commission may take. Will it recognize what Lord Allenby's letter of January 26, 1925, describes as "Egyptian interests and historic rights"? Or will it, as the London Times expressed it, propose a settlement which "would take the form of a friendly agreement between Egypt and the Sudan, which would establish the vested rights of each (and) lay down a system for the allocation of the available and future supplies of water"? I do not know. I am not a prophet. I try to interpret the past and to understand the present. The future lies beyond my ken.

But the official reports of the former British adviser to the Egyptian Ministry of Public Works, Sir Murdoch Macdonald, have taught me two things:

- (1) The quantity of water in the Nile; and
- (2) The present and eventual water requirements of Egypt.

From this official data I learn that there is not enough water in the Nile—whether one speaks of available or of future supplies—to answer the requirements of both Egypt and of the Sudan. There is not enough

to fill Egypt's eventual needs. There was not enough in 1914 to answer Egypt's demands as then existing.

Egypt may be literally described as "the river, which is Egypt," meaning the soil formed by the deposit of the silt-laden annual flood. The main part of this land is the delta, or lower Egypt, which is triangular in shape. Its apex is at Cairo, its base on the Mediterranean Sea. Its area is about 4,800,000 acres, or feddans, of which 3,000,000 are cultivated. In the reaches from Cairo to the Sudan frontier there are about 2,500,000 acres, or feddans, of arable soil, of which 2,200,000 are now cultivated. Thus the combined area of all of the Nile lands of Egypt totals about 7,300,000 acres, of which approximately 5,200,000 are now under the plow.

VI

This article deals with cotton. I therefore hasten to give the figures as to cotton cultivation in Egypt. Here they are:

Year:	Acreage
1920.....	1,827,868
1921.....	1,289,805
1922.....	1,800,843
1923.....	1,715,150
1924.....	1,787,843

As at present 5,200,000 acres are being tilled, it follows that in round figures 30 per cent of this acreage is now under cotton culture. The crops produced since 1920 have been as follows:

Year	American production	
	Bales	Per acre
1920.....	996,478	0.54
1921.....	1,061,476	.82
1922.....	1,329,907	.73
1923.....	1,293,882	.75
1924.....	1,384,589	.77

It has already been pointed that Egypt still has 2,100,000 acres which have not yet been utilized. Of this, however, 200,000 in the lake zone of lower Egypt should be reserved for pisciculture. This reduces the net available maximum increase of cultivation in Egypt to 1,900,000 feddans, or acres.

Now, Egypt has a population of 14,000,000 souls. They and their cattle must be fed. The fellah, therefore, raises sugar, wheat, corn, rice, onions, barley, and clover. These crops absorb approximately 70 per cent of the present cultivated surface of the country. It is reasonable to suppose that this proportion of 70 per cent for the general crops and of 30 per cent for cotton will be maintained even when at some future date the entire available superficies of the land pays tribute to the farmer. This means that in round figures 570,000 more acres will in time be put under cotton cultivation.

During the last five years the Egyptian fellah has got out of his soil an average yield of 0.72 of an American bale per acre. This implies that he, or his child or his grandson, should be able to increase the Egyptian cotton production by 410,400 bales if all goes well. In other words, the spot market of the future must count upon an Egyptian supply of approximately 1,800,000 bales.

Of course, I know that boll weevils and other pests may make my calculations appear like the dream of a theorist. But I do not think these agricultural hazards weaken the salient point of my argument, for, whether the Nile water goes to Egypt or to the Sudan, the same element of risk exists. I know, for instance, that Egyptian cotton is attacked by what is popularly called the "pink worm." I am advised that the Sudan is menaced by the aphid which deposits honeydew on a relatively large scale and thus suffocates the plant. It therefore follows that as a practical proposition the insect peril exists both in Egypt and the Sudan. All of these statistics lead up to one fact. Egypt as an eventual cotton entity represents a territory of approximately 2,570,000 acres, capable of raising about 1,800,000 American bales of cotton. What can the Sudan produce?

If the independence of Egypt means what the words imply, the English can not linger long in this country. A corollary to this will be that the irrigation system of Egypt will pass into native hands. Will this purely local administration, if it come about, make it possible for the Egypt of the future to produce 1,800,000 American bales of cotton? To answer this question would be to indulge in prophecy. I do know, however, that if the Sudan gets, as the London Times inferred that she will obtain, an adequate allocation of Nile water, English engineers will drive the last pound of efficiency out of every cubic yard of water meted out to the "Black Country." There is, accordingly, a possible element of personal equation which may enter into any computations which may be made.

In returning to my narrative I deem it necessary to speak of quality before I touch upon quantity. I thought for a time that good cotton could not be grown south of the thirtieth degree of north latitude. New Orleans is just south of this parallel. The country tributary to my native city is farmed in sugar and rice. Very little cotton is grown south of Baton Rouge. I had understood, in a vague way, that this

was because cotton was not at its best quite so far south. When I reached Egypt I soon learned that an admirable staple was grown several hundred miles south of this dividing line. But certain preconceived ideas are most tenacious.

When, therefore, I determined to look into the Sudan question, I requested the experts consulted by me to be most careful, as I had an idea that the Sudan could not produce a high-grade article. I have received unequivocal written assurances from an agronomist who has produced the actual stuff on the spot that in the Gezira district of the Sudan the "ordinary American variety" and all Egyptian grades are successfully grown.

I shall not speak of the American plant. Of the Egyptian, I feel that I may well say a word. It produces four varieties, (1) the Sakellaridis, (2) the Assili, (3) the Affil, and (4) the Ashmouni.

With the exception of American sea-island cotton, which is in a class all by itself, the Sakellaridis is, I am assured by competent authority, the longest, finest, strongest, and whitest grade in the world. The Ashmouni, which is the most inferior of the Egyptian supply, in ordinary years brings in the Liverpool market 20 per cent more than the average American output.

I am assured that the Sudan Sakellaridis and Assili are not equal to the best of the similar Egyptian variety, but that the best Sudan Sakellaridis and Assili are equivalent to the medium Egyptian stock of this same grade. On the other hand, the Affil and Ashmouni run to the same standard as in Egypt. This means that the Lower Nile Valley can put upon the market a better staple than anything we can produce outside of the sea islands—always assuming my information to be accurate.

When one considers the marvelous fertility of the Nile Valley this should not be considered surprising. Man tickles the earth, and it laughs into a golden harvest. A group of influential British capitalists commonly known as a syndicate has for several years been fully aware of this fact. It helped to put through the British Parliament a bill whereby England guaranteed a Sudan bond issue of £3,000,000, which has been applied to building the Sennar Dam, which is now ready for business. These financiers bought up what is known as the Gezira Province of the Sudan. They have converted it into a closed corporation, or, to be more accurate, they have made it impossible for anyone to buy any land in the Gezira. These men have been calling out for water for years, but until their Sennar Dam neared completion their cries were premonitory symptoms rather than an urgent appeal for help.

Luckily for them, the stupid killing of the chivalrous Stack happened just when the construction work near their property was practically finished.

It is therefore clear that the Sudan has both the grade of cotton which counts and a capitalistic group to make the most of these natural advantages. It remains only to inquire as to how many bales this ideal combination can produce.

VII

I do not know the area of all the cultivable land in the Sudan. It is estimated at not less than 35,000,000 acres of good arable soil. I shall concentrate my attention on the Gezira. That is where the heavy investments have been made. There is where the driving force of the Sudan cotton industry is settled. Here I have something concrete with which to deal. I am not in the domain of fanciful conceptions but face to face with a reality which is determined that Manchester shall get its cotton within the British Empire.

The area of the Gezira between Khartoum and the railroad line which crosses the Province is 5,000,000 acres. Of this 3,000,000 can be irrigated by the Sennar Dam; that is to say, a portion of these 3,000,000 acres can be put under cotton beginning in 1926 should all the "water of the Blue Nile be earmarked for the Sudan." There is no reason why every square yard of this immense tract should not be devoted to cotton. If, as some say, there is enough water in the Nile in ordinary years to supply the present requirements of Egypt and at the same time to irrigate the Gezira, it follows that the Southern States of America will be called upon within a few years to face an additional cotton supply of 2,160,000 American bales.

In fixing this figure I use the Egyptian production per acre as my basis. It does not, however, allow for an increased Egyptian output nor does it take into consideration that the Sudan will never agree to limit its cultivation to so small an acreage, once it is started on the high road to wealth. If this eventuality of increased cotton acreage comes about, it will spell ruin for the American cotton planter, not to-morrow, perhaps, but before the young men of to-day shall have passed away.

If, as I firmly believe, there is not enough water in the Nile in low years to deviate a drop from Egypt without jeopardizing her existence, and if the policy foreshadowed in the London Times be adopted, it will mean (1) famine in Egypt and (2) reduced prices for American cotton. I shall not attempt to prove why I think that there is not enough water for Egypt to spare a mouthful in low years. Suffice it to say that if the entire Egyptian acreage now under cotton cultivation, which consisted in 1924 of 1,787,843 feddans, were

wiped out, the southern planter would still be penalized for the Stack murder. This absolute elimination of Egyptian cotton production to make way for a syndicate of British capitalists is not going to occur. Such things do not happen. The British are too just to consent to make an arid desert of the Delta of the Nile in order to cause the upper stretches of that river to blossom like a rose and incidentally to enrich a syndicate of capitalists.

But, I repeat, should the entire Egyptian cotton crop disappear (and it will not), the increased African cotton acreage would still be 1,212,157 feddans. To get this result I subtract from the 3,000,000 acres Gezira tract now ready for the plow and lying opposite the dam "earmarked for the Sudan" the 1,787,843 feddans (or acres) which Egypt had under cotton in 1924. This difference, upon the basis of the results obtained during the last five years, represents a sword of Damocles in round figures of 970,000 American bales, enough to turn any "bull" market into a "bear" feast.

But it is the possibility of unlimited expansion which sharpens this sword and makes of it a guillotine. Nor must this salient point be forgotten. It is the essence of my argument: Egypt needs foodstuffs. Seventy per cent of her soil is applied to filling her stomach and but 30 per cent is devoted to clothing her body. The money back of the Sudan development will be applied entirely to cotton. No 70 and 30 per cent will be tolerated there.

The Sudan and Egypt both lie in Africa. So does the Nile. It is immaterial to the American cotton planter whether a bale reaches the spinner marked "Egypt" or labeled "Sudan." But it does make a difference to him to know that cotton-producing Nile-Africa will in all probability cease to be a 70-30 per cent country and become for immense stretches a 100 per cent cotton land. Admitting, therefore, that every other deduction drawn by me be fallacious; that the Nile beginning in 1926 will irrigate the same number of acres as in the past, the very fact that the 70 per cent food production can no longer be counted upon accentuates the gravity of the problem.

VIII

But it is an ill wind that blows nobody good. The Sudan is face to face with a great scarcity of labor. The syndicate will have a hard time getting hands to sow its fields and to pick its cotton. Besides, the temperature runs so high in the Nile Basin that competent English engineers will not relish the idea of working down there unless they are paid fancy salaries. Moreover, experience in Egypt has taught that it is extremely difficult to get big concerns started. It is therefore probable that years may elapse before the Sudan can get under headway. But it behooves the South to think of to-morrow and not solely of to-day.

This silver lining that I have just pointed out is, of course, most important. The main issue, however, centers around one point. It is not whether we may have a breathing space before we face bankruptcy, but are we called upon to hoist our danger signals? In answering this question it is well to bear in mind that Sudan cotton can be transported to the markets of the world without serious economic difficulty and that the capitalists who have put up the money to emancipate the Manchester cotton spinner from industrial vassalage to the South are determined that the labor problem shall be solved. There are no Australians, no Canadians, no Afrikanders to prevent the importation of coolies and of Indians. Who will risk the assertion that the Government of India would not be delighted to find in the Sudan an outlet for its surplus population? Is it reasonable to suppose that the group of capitalists would oppose such a measure?

To my mind the one subject about which any doubt may linger is that which bears upon the quality of cotton which the Sudan produces. I have done all I can to get accurate information upon this feature. The assurances given me are from sources of the highest credibility, reliability, and competence. I have taken up the matter with specialists. I have cross-examined my informants separately and apart from one another. The answers are concordant, categorical, and emphatic, and these are, I repeat, that the cotton produced in the Sudan is longer, finer, stronger, whiter, and a better seller than anything raised in America outside of the sea islands.

Assuming that this evidence is worthy of belief, I feel justified in saying that I view the future of the American cotton planter with the gravest concern.

PIERRE CRABITES.

EXECUTIVE NOMINATIONS

Mr. BORAH. I ask leave to submit certain reports from the Committee on Foreign Relations for the Executive Calendar.

The VICE PRESIDENT. Without objection, the reports will be received and placed on the Executive Calendar.

CALL OF THE ROLL

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Please
Borah
Brookhart
Broussard
Bruce
Cameron
Capper
Copeland
Conzens
Dale
Deneen
Edge
Ernst
Fernald
Fess
Fletcher

Frazier
George
Gillett
Glass
Goff
Gooding
Greene
Hale
Harrell
Harrison
Hoffin
Howell
Johnson
Jones, Wash.
Kendrick
Keyes

King
La Follette
Lenroot
McLean
McNary
Mayfield
Metcalf
Moses
Neely
Norris
Nye
Oddie
Overman
Phipps
Pine
Tansdell

Robinson, Ind.
Sackett
Sheppard
Simmons
Smoot
Stephens
Swanson
Trammell
Tyson
Wadsworth
Walsh
Watson
Wheeler
Willis

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIS:

A bill (S. 3590) granting an increase of pension to Catherine Fahnestock (with accompanying papers); and

A bill (S. 3591) granting an increase of pension to Rosa Martin (with accompanying papers); to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3592) for the relief of Henry C. Wilke; to the Committee on Claims.

A bill (S. 3593) to amend section 127 (a) of the National Defense Act as amended by the act of June 4, 1920; to the Committee on Military Affairs.

By Mr. CAMERON:

A bill (S. 3594) respecting vested rights of Indians in reservations created by treaty; to the Committee on Indian Affairs.

A bill (S. 3595) to authorize the exchange of certain patented lands in the Grand Canyon National Park for certain Government lands in said park; to the Committee on Public Lands and Surveys.

By Mr. JOHNSON:

A bill (S. 3596) for the relief of Robert Whitley Miller; to the Committee on Military Affairs.

A bill (S. 3597) to authorize the erection of additional buildings to the United States Veterans' Bureau Hospital No. 24 at Palo Alto, Calif., and to authorize the appropriation therefor; to the Committee on Public Buildings and Grounds.

By Mr. MOSES:

A bill (S. 3598) granting a pension to Annie A. Gilson (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3599) for the relief of the city of New York; and
A bill (S. 3600) for the relief of Geraldine Kester; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 3601) to divest goods, wares, and merchandise manufactured, produced, or mined by convicts or prisoners of their interstate character in certain cases; to the Committee on Education and Labor.

By Mr. SHEPPARD:

A bill (S. 3602) to relieve from liens for Federal taxes property exempt from State taxation; to the Committee on the Judiciary.

By Mr. WADSWORTH:

A bill (S. 3603) for the relief of Genevieve Hendrick; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3604) for the relief of Henry C. Wilke; to the Committee on Claims.

By Mr. SWANSON:

A joint resolution (S. J. Res. 75) authorizing certain funds appropriated for the reservation and monument at Wakefield, Va., to be made available for certain repairs to existing highways and lanes on said reservation; to the Committee on Appropriations.

HOUSE BILL REFERRED

The bill (H. R. 7979) granting to the Yosemite Valley Railroad Co. the right of way through certain public lands for the relocation of part of its existing railroad was read twice by its title and referred to the Committee on Public Lands and Surveys.

CHANGE OF REFERENCE

Mr. WILLIS. Mr. President, through an error yesterday House bill 6117, to amend an act entitled "An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," approved March 12, 1914, was referred to the Committee on Territories and Insular Possessions. That bill really belongs in the Committee on Interstate Commerce. I therefore ask unanimous consent that the Committee on Territories and Insular Possessions be relieved of further consideration of this bill and that it be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. Without objection, that order will be made.

ART IN THE CAPITOL

Mr. FESS submitted the following resolution (S. Res. 172), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Mr. OVERMAN. I wish to announce that the Senator from Iowa [Mr. CUMMINS] and the Senator from Colorado [Mr. MEANS] are engaged in the Committee on the Judiciary.

Mr. GEORGE. I wish to announce that my colleague, the senior Senator from Georgia [Mr. HARRIS], is detained by illness. I will let this announcement stand for the day.

Mr. REED of Missouri subsequently said: I desire to have the announcement appear on the first roll call to-day that my colleague [Mr. WILLIAMS] has been called from the city on official business.

The VICE PRESIDENT. Sixty-two Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 44) authorizing the Federal Reserve Bank of New York to invest its funds in the purchase of a site and the building now standing thereon for its branch office at Buffalo, N. Y.

The message also announced that the House had passed a bill (H. R. 7979) granting to the Yosemite Valley Railroad Co. the right of way through certain public lands for the relocation of part of its existing railroad, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 2987. An act for the relief of Samuel T. Hubbard, jr.;
H. R. 8590. An act granting certain lands to the city of Sparks, Nev., for a dumping ground for garbage and other like purposes; and

H. R. 8652. An act to provide for the withdrawal of certain lands as a camp ground for the pupils of the Indian school at Phoenix, Ariz.

MINUTES OF UNITED STATES TARIFF COMMISSION (S. DOC. NO. 83)

The VICE PRESIDENT. The Chair lays before the Senate a certified copy of the minutes of the meetings of the United States Tariff Commission, submitted by its chairman, as requested in Senate Resolution 165, agreed to March 9, 1926, which will be referred to the Committee on Finance and printed in accordance with the resolution aforesaid:

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 868) for the relief of Kate Canniff (Rept. No. 387);

A bill (S. 1903) for the relief of Capt. Murray A. Cobb (Rept. No. 388); and

A bill (S. 3174) for the relief of the Alaska Steamship Co. (Rept. No. 389).

Mr. CAPPER also, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2965) to prevent discrimination against farmers' cooperative associations by boards of trade and similar organizations, and for other purposes, reported it with amendments and submitted a report (No. 390) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 2042) relating to the Office of Public Buildings and Public Parks of the National Capital, reported it with an amendment and submitted a report (No. 391) thereon.

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (H. R. 5858) for the relief of Charles Ritzel, reported it without amendment and submitted a report (No. 392) thereon.

He also, from the same committee, to which was referred the bill (S. 1993) for the relief of the Van Dorn Iron Works Co., reported it with an amendment and submitted a report (No. 393) thereon.

Resolved, That the Committee on the Library of the Senate be, and is hereby, authorized and directed to have prepared a manuscript on the works of art and the artists of the United States Capitol, at a cost not to exceed \$2,500, to be paid out of the contingent fund of the Senate, and that such manuscript, when prepared, shall be printed, with illustrations, as a Senate document.

FREIGHT RATES ON PERISHABLE PRODUCTS

Mr. TRAMMELL submitted the following resolution (S. Res. 173), which was ordered to lie over under the rule:

Resolved, That the Committee on Interstate Commerce be, and is hereby, directed to investigate the present high freight and express rates being charged for the transportation of citrus fruits, other fruits, vegetables, and other farm products, with a view to bringing about early action that will result in a substantial reduction in the existing freight and express rates, which represent an increase of approximately 60 per cent over pre-war rates on such products.

PRESIDENTIAL APPROVALS

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on March 16, 1926, the President had approved and signed the following acts:

S. 1343. An act for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age; and

S. 1430. An act to establish a board of public welfare in and for the District of Columbia, to determine its functions, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, requested that the Senate return to the House the joint resolution (H. J. Res. 131) authorizing the Federal Reserve Bank of New York to invest its funds in the purchase of a site and the building now standing thereon for its branch office at Buffalo, N. Y.

FEDERAL RESERVE BRANCH BANK AT BUFFALO, N. Y.

The VICE PRESIDENT laid before the Senate the request of the House of Representatives for the return to that body of the joint resolution (H. J. Res. 131) authorizing the Federal Reserve Bank of New York to invest its funds in the purchase of a site and the building now standing thereon for its branch office at Buffalo, N. Y.

Mr. McLEAN. The joint resolution is identical with a joint resolution which passed the Senate on last Monday, and was sent to the House, and I understand that it has passed the House. Therefore, I move that the Committee on Banking and Currency be discharged from the consideration of House Joint Resolution 131, and that the request of the House be complied with.

The motion was agreed to.

AGRICULTURAL RELIEF—PERSONAL EXPLANATION

Mr. BROOKHART. Mr. President, dispatches appearing in the Cedar Rapids Gazette and other Iowa papers reported my appearance before the Senate Committee on Agriculture and Forestry to urge the loan of \$15,000,000 to the farmers, and stated that I justified this loan on the ground that \$536,000,000 in cash and \$307,000,000 in loans have been made from the Treasury of the United States to the railroads since they were turned back, and that on this basis the farmers would be entitled to a loan of \$400,000,000. There are so many inaccuracies in these figures and in the whole dispatch that I deem it necessary to make a correction from the floor of the Senate.

In the first place, I did not appear before the Committee on Agriculture and Forestry to advocate any loan whatsoever to the farmers. They are overloaned now. They do not want more loans. They want prices for their products so that they can pay their loans.

I appeared before the committee in support of the agricultural bill which I had introduced. That bill provides for a cooperative supported by \$1,500,000,000 of Government capital. It is in no sense a \$15,000,000 loan to the farmers. Fifteen million dollars amounts to nothing in the solution of this problem. The exportable surplus of the farmers averages around \$2,000,000,000 a year, and to attempt to handle it with \$15,000,000 is ridiculous on its face. I presume these figures are a clerical error and it was really intended to use my figures of \$1,500,000,000 as the capital necessary for handling this exportable surplus, for I have estimated that such an amount of capital is necessary, and have used these figures time and again.

I have often said that the farmers are entitled to that much direct aid from the Treasury in the first instance, because the Treasury did pay the railroads \$536,000,000 in cash to guarantee their operating expenses and war-time return for the first six months after they were turned back to their owners. Also

the Government has loaned the railroads since that date \$307,000,000 more. On this basis I said the farmers, in proportion, would be entitled to the use of \$4,000,000,000, or four billions of Government money. This is ten times as much as the four hundred millions used in these dispatches. Again, I presume the four hundred millions was a clerical error, and I do not charge that these dispatches deliberately attempted to misquote my figures, but the errors are so great that my bill and my statement to the committee would be useless if I had proposed no more than a \$15,000,000 loan.

The bill which I introduced further provides that the cooperative created thereby should bid for farm products cost of production and enough to make 5 per cent profit upon the capital investment. This would raise the price level to that amount and would easily double what the farmers are now getting for their products and would give them a chance to pay off their debts and reduce their loans. The surplus left in the hands of the cooperative would be sold in the markets of the world by a single agency, and there would be no competition in selling. This would have a distinct effect upon improving the world's market; but if the loss occurred upon this portion of the farm products, which averages only from 8 to 12 per cent of the whole, then I suggested three methods of making up the deficit: An excise tax upon the total sales of the farmers, or an excise tax up the profits of the protected manufactured articles sold to the farmers, or the use of the tariff taxes themselves.

I put no tax provisions into my bill, because a tax under the Constitution can not originate in the Senate. I only provided for gathering information as a basis of a proper tax. This tax would mean a loss to the farmers upon the small portion of their products exported, but it would guarantee them a gain on the other 88 or 92 per cent sold in the domestic market of 5 per cent above cost of production. This would give agriculture a stability and a prosperity which it has never had.

STATE TAXATION OF NATIONAL BANKS

Mr. McLEAN. Mr. President, I wish to call the attention of the Senate to the bill (S. 3377) to amend section 5219 of the Revised Statutes of the United States, which is Order of Business 356 on the calendar. The bill deals with the right of the States to tax the shares and income of national banks. The Senate may remember that the subject was agitated in the Sixty-seventh Congress. Secretary Kellogg, then a Member of the Senate from Minnesota, introduced a joint resolution covering the subject. Some of the States whose general assemblies are now in session are very anxious to have this question disposed of. I know the Legislature of New York, at Albany—and I may say that the matter is of more interest, I think, to New York than to any other State—is about to adjourn, and it is very anxious to act upon this matter.

The bill was referred to a subcommittee of the Committee on Banking and Currency, of which the Senator from Pennsylvania [Mr. PEPPER] is chairman. It was reported back to the committee, and the full committee recommended the passage of the bill. The House of Representatives has had the subject under consideration, and the House Committee on Banking and Currency has reported in favor of a similar bill. The bill is also approved by the American Bankers' Association and the National Tax Association. I think it should be given consideration at a very early date. It is an important matter. I shall not ask for the consideration of the bill this morning, but I ask that the report which accompanied the House bill be printed in the RECORD. The Senator from Pennsylvania [Mr. PEPPER], as Senators know, has been absent from the Senate, and while the bill has been reported he has filed no report in the Senate. I think, however, the House report clearly covers the subject, and desire that it may be printed in the RECORD. It is a very short report. I also wish to give notice that on to-morrow I shall ask unanimous consent to have the bill considered, and I hope that in the meantime Senators who are interested in the measure will read the House report in order that they may understand the provisions of the bill.

Mr. GLASS. Mr. President, the Senator from Connecticut will recall that when the subject matter of this bill was before the Senate a few years ago the measure then proposed involved quite a considerable refund of taxes which had been collected from certain banking institutions. I assume that that question is not involved in the bill to which he has referred?

Mr. McLEAN. The Senator from Virginia will remember that the case of Flint against Stone Tracy Co. went to the Supreme Court of the United States, and that court upheld a tax on corporations where the measure of taxation was the income of the corporation from all sources, and that included the income on tax-exempt securities.

Mr. GLASS. Yes; but, as I recall, the bill introduced by former Senator Kellogg, of Minnesota, involved a very considerable refund of taxes to bankers.

Mr. McLEAN. Yes; that is true.

Mr. GLASS. I imagine this measure raises no question of that sort?

Mr. SMOOT. In other words, I desire to ask, Are the provisions of the bill retroactive?

Mr. McLEAN. I do not think that question is involved at this time. I hope that the Senator from Pennsylvania [Mr. PEPPER], who has made a study of the bill, will be present to-morrow.

Mr. FLETCHER. Mr. President, is not this really a bill to relieve a situation in New York State arising out of the State legislation?

Mr. McLEAN. Principally, I think, the State of New York is interested.

Mr. FLETCHER. It seems to me that it is about the only State which is interested.

Mr. McLEAN. No; other States which impose an income tax are interested in the bill, because it relates to the tax on tax-exempt securities.

Mr. GLASS. What I want to be sure of is that the bill is not retroactive, but relates to a future policy of taxation.

Mr. COPELAND. Mr. President, will the Senator from Connecticut yield to me?

Mr. McLEAN. I yield.

Mr. COPELAND. It seems to me that there can be no objection to the passage of this bill. It certainly is important to the State of New York. Our legislature is about to adjourn and it is very much interested in having as early action as possible on this measure. I hope the bill may be promptly considered and passed.

Mr. McLEAN. I should be glad to have the bill acted on this morning. I think the House report makes the purpose of the bill very clear. It is a very short report. I should like to have the Secretary read the report, and, if there is no objection, I wish the bill could be considered and passed this morning.

Mr. SMOOT. Mr. President, I will state to the Senator from Connecticut that I should like to have the bill go over, as I see by the calendar file that there is no report on it from the Committee on Banking and Currency of the Senate. I should like to read the House report before I consent to the consideration of the bill.

Mr. McLEAN. What the Senator from Utah states is the reason why I have asked that the House report be printed in the RECORD, because then it will be more convenient to Senators than it will be to get copies of the House report.

Mr. SIMMONS. Mr. President, I have not exactly understood to what bill the Senator from Connecticut has been referring, but I wish to ask him if the bill involves a proposition, either directly or indirectly, to impose a tax upon tax-exempt securities?

Mr. McLEAN. It deals with that subject, I will say to the Senator from North Carolina, and I will read to him, if he desires, a paragraph from the House report which explains precisely what the bill proposes to do.

Mr. SIMMONS. I do not wish to annoy the Senator or to put him to any inconvenience. What I want to know is whether the proposition that is involved in the bill, if adopted, either directly or indirectly, would impose a tax upon the income from tax-exempt securities?

Mr. McLEAN. The Supreme Court has decided that as an excise tax the States may tax all of the income received by a national bank and if as part of that income there is included the interest from tax-exempt securities, nevertheless it may be taxed as an excise tax.

Mr. SIMMONS. I am not concerned about the States imposing income taxes, but I am concerned about the Federal Government imposing taxes on tax-exempt securities.

Mr. McLEAN. The bill has nothing to do with the imposition of a Federal tax.

Mr. SIMMONS. Very well; that is all I was interested in. The VICE PRESIDENT. Without objection, the report referred to by the Senator from Connecticut will be printed in the RECORD.

The report is as follows:

[House Report No. 526, Sixty-ninth Congress, first session]

STATE TAXATION OF NATIONAL BANKS

Mr. McFADDEN, from the Committee on Banking and Currency, submitted the following report to accompany H. R. 9958:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 9958) to amend section 5219 of the Revised Statutes of the

United States, having considered the same, report it back to the House with the recommendation that the bill do pass without amendment.

Your committee had this general subject before it during the Sixty-seventh Congress and have had full and extensive hearings then and now. Conditions have arisen in some of the States where a change in the law is necessary to conform to the income laws of such States. This bill provides for four alternative exclusive methods for taxing national banks, viz:

- (1) Taxation of the shares as heretofore;
- (2) Taxation of the dividends as personal income as heretofore;
- (3) Taxation of the bank on net income as heretofore; and
- (4) Taxation of the bank, according to or measured by net income.

The adoption of any one of the above methods excludes the other three with an exception. That exception is to accommodate States which tax personal income (on the theory of individual capacity to pay) and also impose corporation franchise or excise taxes. The bill is designed to permit the taxation of national banks and dividends to their shareholders in such States to the same extent as said States tax corporations and their stockholders upon their dividends as personal income.

Thus, the purpose of the proposed amendments to section 5219 is to enable States that have adopted income-tax methods to abandon the ad valorem taxation of the shares of national banks and apply income-tax methods to national-banking associations within their limits, without thereby favoring national banks and their shareholders as compared with other corporations generally and their stockholders. In other words, to make it possible for income-tax States to tax national-banking associations and their shareholders on a complete taxing parity with other corporations and their stockholders.

Prior to the amendment of 1923 to section 5219, a State was prohibited from taxing a national-banking association directly (except on its real estate), and could only tax its shares to the holders. The amendment in 1923 had for its object to permit States that were abandoning or modifying the ad valorem system of taxation to substitute the modern system of income taxation with respect to national banking associations. As so amended section 5219 now allows one of three methods:

- (1) Taxation of shares as formerly;
- (2) Taxation of dividends as personal income; or
- (3) Taxation of the bank on its net income.

The adoption of any one of these methods excludes the other two. Hence, it follows that where a State applies the net income-tax method to its corporations generally and also imposes a personal income tax which includes dividends from such corporations, such State can not tax national banking associations and their shareholders as it taxes corporations generally and their shareholders. It is desirable to meet that situation with respect to national banking associations and their shareholders.

In the States which now apply the net income-tax method to corporations generally and denominate it an excise or a franchise tax, the practice is to include income from all sources, including income from tax-exempt securities, in arriving at the measure of the tax based on the net income. Therefore, it is desirable, in order to establish complete taxing parity, to remove any question as to the inclusion of the income from tax-exempt securities as part of the measure of the tax based on the net income of national banking associations; so that the same basis of measuring the tax according to net income for corporations generally may be applied to national banking associations by the taxing State.

To this end the pending bill clearly distinguishes between taxing national banking associations (3) on their net income and (4) according to or measured by their net income. In the latter case the taxing State may "include the entire net income received from all sources."

In *Flint v. Stone Tracy Co.* (220 U. S. 108) the Supreme Court upheld an excise tax on corporations where the measure of taxation was the income of the corporation from all sources, and held that "it is no valid objection that this measure includes, in part at least, property which as such could not be directly taxed."

Therefore the proposed amendments to section 5219 are designed to accomplish the following:

- (a) The inclusion of income from tax-exempt securities as part of the measure in taxing national banking associations, providing other corporations generally are similarly treated by the taxing State.
- (b) The inclusion of dividends from national-bank shares as part of the net income of residents for the purpose of personal income taxation when, and to the same extent as, dividends from other corporations generally are so included by the taxing State.

The proposed amendments to section 5219 would not allow an income tax State to tax dividends received by nonresidents from national banks within its jurisdiction, but would allow the taxation of residents of the taxing State on dividends from national banks located outside the State, in both cases the theory being that the personal income tax should be levied on the individual citizen by the State where he resides. But the net income of a national banking association would be taxed only in the State where the bank is

located, because that is the location of the capital and business of the bank.

The language of the pending bill is broad enough to permit a State that imposes corporate excise or franchise taxes which are not based on income to apply the net income method to national banking associations, provided the burden of tax is no higher than that imposed upon other corporations generally under such excise or franchise tax.

In no way do the proposed amendments affect the established methods of States adhering to the ad valorem taxation of national-bank shares.

This whole subject has been given careful consideration by a special committee of the American Bankers' Association and a special committee appointed by the National Tax Association, who were respectively charged with the function of investigating the dividends and income alternative provisions in section 5219 in the light of the prevailing systems of personal income and corporation income taxation in the States. Representatives of these two associations appeared before your committee and gave it the full benefit of their studies on the subject.

Mr. WHEELER obtained the floor.

Mr. McLEAN. Mr. President, will the Senator from Montana pardon me for just a moment?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Connecticut?

Mr. WHEELER. I yield.

Mr. McLEAN. Do I understand that the Senator from Utah [Mr. Smoot] objects to the consideration of the bill at this time?

Mr. SMOOT. Yes; I desire to read the report. I want to be sure that there is not involved in the bill a refund of about \$24,000,000, as I remember, to one State alone.

Mr. FLETCHER. I understand the report will be printed in the RECORD.

Mr. McLEAN. Yes; that order has been made.

LONG-AND-SHORT-HAUL CLAUSE OF THE INTERSTATE COMMERCE ACT

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 575) to amend section 4 of the interstate commerce act.

Mr. WHEELER. Mr. President, it is with some hesitation that I address the Senate this morning with reference to the so-called long and short haul bill. In view of the fact that this bill has been before Congress for a long time, and had been considered by various Congresses for the past 15 or 16 years and perhaps longer, I doubt very much that anything I may add to what has already been said will change any votes in this Chamber. It is only because of the fact that I realize what a powerful lobby has been at work during this session of Congress to prevent the passage of this bill that I feel it is at all necessary to say a word.

This bill passed the Senate of the United States during the first session of the last Congress by a vote of 54 to 23. I shall call the roll of the Senators who are now Members of the Senate who voted for it at that time.

They number 46, as follows:

Messrs. Ashurst, Bayard, Borah, Brookhart, Broussard, Cameron, Capper, Caraway, Copeland, Cummins, Curtis, Dill, Edwards, Ernst, Ferris, Frazier, Gooding, Harreld, Harrison, Heflin, Howell, Jones of New Mexico, Jones of Washington, Kendrick, King, McKellar, McNary, Neely, Norbeck, Norris, Oddie, Overman, Pepper, Phipps, Pittman, Ransdell, Reed of Pennsylvania, Robinson, Sheppard, Shipstead, Simmons, Smith, Smoot, Stanford, Wadsworth, and Walsh.

And there were 23 votes opposing the bill at that time, and of the Senators casting those votes 18 are Members of the present session.

Mr. President, since that time and since the bill came before the present session of Congress, as I said a moment ago, a most powerful lobby has been at work here in Washington. Every little chamber of commerce throughout the United States of America that could be influenced by the great railroads of the country has seen fit to send in telegrams urging the defeat of this bill. I venture to say that there is not one out of a hundred of those chambers of commerce that knows anything about the merits or demerits of this bill.

All of this propaganda has come from New York or from the great railroad centers; it has been broadcasted throughout the West and throughout the South and has been sent in here to the Members of the United States Senate. I trust, Mr. President, that there will not be any Member of this body—and I confidently feel that there will not be—who will be swayed in the line of duty by this false propaganda that has been sent in here.

A short time ago I read in the Washington Post, either in an editorial or a squib, something to this effect: The President's commission has now settled with the Italians and it was up

to the "demagogues" upon the bill to say what they will do with it.

It is not any wonder that the newspapers of this country slur the Senate of the United States as they have been doing in recent years, if we succumb to the propaganda of a few chambers of commerce throughout the United States and to the railroad lobby of the United States, which is working for the defeat of this bill.

Something has been said with reference to the benefits that the West would derive if this bill should be defeated. During the course of the brief address which I desire to make I shall attempt to show that it will not only be a detriment to the West if this bill is defeated, but, if passed, that it will actually be of great benefit not only to the West but to all interior points and to some of the eastern points as well.

During the discussion that has been going on in this Chamber it has been said that we ought to leave the question of rate making to the Interstate Commerce Commission; that that body had experienced experts, and that it was the only body in the world that was capable of telling us whether we should permit fourth-section violations. So, Mr. President, for the benefit of those people who think that that is the only body in this country that can fix rates properly I desire to call as a witness a very prominent gentleman by the name of Thomas Francis Woodlock. I want you to bear in mind what he says about it.

He says:

The way I feel about it is this: That the determination of what is and what is not a reasonable rate is really the one important question of all others, because you can very easily remedy the long-and-short-haul business and the discrimination business. They are not so important. But when it comes to the determination of a reasonable rate I would be very sorry to see that power placed in the hands of any public body. I do not think that the Supreme Court of the United States is competent to determine that. The only thing that determines it in the long run is free trade in railroads, free trade in transportation, and you get the reasonable rate fixed by nature.

Then, Mr. President, in another article written by the same distinguished expert, he states as follows:

Now, it has always been the case that a few groups of bankers—very few of them, probably seven or eight—really were in a position to control 75 per cent of the important railroad mileage of the United States. You can count up now a list of probably six or seven men or interests that control 100,000 miles of the most important mileage of the country. This is a matter of public knowledge; it is not a matter of record.

Mr. Woodlock felt at that time that the Interstate Commerce Commission, with all its experts, should not be given the power to fix rates; and he did not think that even the Supreme Court of the United States should. He felt that the power to fix rates should be lodged only in the railroads themselves. Then he states that the railroads are controlled by seven or eight banking groups in the city of New York. So what becomes of his theory that we should leave the matter entirely to the railroads? Why not say we should leave it to the bankers? The policy of Congress has been quite contrary to that theory when it comes to these discriminations, as I shall hereafter point out.

Before voting for the so-called Gooding bill, it would seem to me that there are several questions of policy which the Senate must determine.

First. Does Congress desire to adhere to the principle which it announced in section 500 of the transportation act of 1920 when it declared it to be its policy—

to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation?

Second. Does the Congress of the United States desire to discriminate against those sections which are not favored by water transportation?

Third. Does it want to build up for the farmers of the country a home market for their products, or drive them to produce only a single crop, such as wheat, corn, or cotton, that must be shipped long distances at high freight rates?

Fourth. Does it desire to favor the large centers and the large shippers as against the small centers and the small shippers?

If we answer these questions in the negative, and say that the Congress of the United States is only interested in the larger cities; that it is no longer interested in water transportation; if it is willing to see the Panama Canal ruined as a commercial enterprise; if it is not interested in seeing our farmers diversify their crops, and wants to discriminate against the great producing sections of our country, then it should vote against the so-called Gooding bill.

The Committee on Interstate Commerce has held extensive hearings in connection with this bill and similar bills for the past 15 years at least, and time and time again Congress has passed laws which it felt would remedy the situation which confronts the people in connection with the so-called violations of the fourth section of the act to regulate commerce, passed February 4, 1887. It amended the act in 1910, believing that the amendment would be sufficient. It again amended it in 1920; and, in my judgment, had the Interstate Commerce Commission carried out the plain provisions of the amendments to the act the people of my section of the country at least would not be here asking that the law be amended at the present time. It would seem to me that the Interstate Commerce Commission has construed this law contrary to the decisions of the Supreme Court and contrary to the plain intent of the Congress of the United States.

Section 4 of the act to regulate commerce, approved February 4, 1887, was as follows:

That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers of like kind and property, under substantially similar circumstances and conditions for a shorter than a longer distance over the same line, in the same direction, the shorter being included within the longer distance, but this shall not be construed as authorizing any common carrier within the terms of this act to charge and receive as great compensation for a shorter as for a longer distance: *Provided, however,* That upon application to the commission appointed under the provisions of this act such common carrier may in special cases, after investigation by the commission, be authorized to charge less for longer than for shorter distances for the transportation of passengers or property; and the commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section of this act.

As the act was originally passed it came to be construed in the practice of the carriers and also by the rulings of the Interstate Commerce Commission, in effect, not to be applicable in any case where the "circumstances and conditions" were not "substantially similar," and that the carriers themselves might be the judges in the first instance—subject, of course, to the revision of the Interstate Commerce Commission—of whether or not the circumstances and conditions were substantially similar. It was held that at any point reached by a railroad where there was also water transportation, either actual or "potential," the circumstances and conditions within the meaning of this language as used in section 4 of the act were not substantially similar to the circumstances and conditions at any interior point reached by a railroad where there was not water transportation, either actual or potential.

Under this practice the railroads were free to charge and receive greater compensation for the transportation of passengers and of like kinds of property for a shorter than for a longer distance over the same line in the same direction, the shorter being included within the longer distance, in every case where the destination of the shorter haul was in the interior and not upon a navigable canal or river. The same ruling and practice was adopted as to "rail competitive points"; that is, the carriers were permitted to charge less for the transportation of freight or passengers to a point where there was competition by other railroads than they charged for the transportation of passengers or the same kind of freight to intermediate points on the line.

The result of this was that the fourth section of the act to regulate commerce became substantially and to all intents and purposes in the actual transportation of the country null and void and of no effect whatever, except in the very limited field not affected by rail or water competition in the comparison between the longer and the shorter haul.

The enactment of section 4 was the result of a recognized and long-standing evil. It was intended to secure what the Supreme Court of the United States declared in the case of *Texas & Pacific Ry. v. Oil Co.* (204 U. S. 426) to be the great end and object of governmental regulation of interstate commerce, viz, uniformity of rates and service.

Another object of the enactment of the fourth section was to protect those engaged in the business of transportation upon our rivers and canals in our interoceanic water-borne commerce from unfair and destructive competition of the railroads.

Upon the construction of the act referred to above, and the practice which grew up thereunder, both of these objects were completely defeated. Lower rates were made by the railroads to so-called "water competitive" and "rail competitive" points than to intermediate points on the same line. It resulted in some instances, in the interior point being charged a rate double that which was charged the terminal point, and in practically

all cases, before recent modifications were secured, a very much larger rate than was charged to the terminal point, although the interior point was a much shorter distance from the point of origin and the service rendered by the carrier correspondingly less. Goods such as structural steel, dry goods, canned goods, wire fencing, nails, iron pipe, and practically all commodities manufactured in the East and Middle West passing through the railroad yards in Fargo, Billings, Butte, and Spokane in carload lots, and carried from 300 to 1,200 miles farther over rivers and mountain ranges to the ocean terminal, were charged a lower freight rate, 50 or 75 or a greater percent less, than if the same goods in the same car were unloaded in the same freight yard at the interior point through which they passed en route to the terminal.

Mr. President, it is contended by some of those who are advocating the defeat of this bill that the railroads could not possibly give us a graduated rate; that they could not possibly make the rate lower to Billings, Fargo, and other intermountain points than they could do to the coast; and yet before I am through I expect to show by letters and telegrams of the railroad executives themselves, and particularly by letters and telegrams of Mr. Adams, of the Union Pacific, that this very thing could be done and would have been done had it not been for the fact that the railroads of the country have a union, and that this union would not permit some of the other railroads to give the interior points a square deal.

Prior to December 31, 1916, the rate on a carload of structural steel, minimum weight 60,000 pounds, from Pittsburgh, Pa., to Portland, Ore., was \$390, at 65 cents per hundred. In being transported from Pittsburgh to Portland this car passed through Butte to Spokane. If the same car were consigned from Pittsburgh or Butte to Spokane, the rate was \$585, at 97½ cents a hundred, although the transportation company was saved the expense of hauling this 60,000-pound car 350 miles to 500 miles farther to the Pacific coast terminal. From the very start until March 15, 1918, the intermountain country was subjected to discriminatory freight rates. The rates on practically everything bought in the East were higher to the intermountain point than to the Pacific coast port beyond. The rate from Chicago, New York, or Pittsburgh to Billings was higher than the rate from the same place to Seattle. This discrimination cut back to the Missouri River. Fridley, Minn., is a suburb of Minneapolis. The rate on dry goods from New York was higher to Fridley than to Seattle.

Late in the fall of 1915 the Panama Canal was opened, and then very shortly was closed by slides. In 1916 the war was on in Europe and all the available boats were in the war trade. There was no water competition between the Atlantic and Pacific because the boats were in war business and the canal was closed. The Interstate Commerce Commission recognized that there was no longer any water competition and ordered the western transcontinental railroads to iron out their fourth-section violations on westbound commodities, and on March 15, 1918, for the first time in the history of the intermountain country it was given terminal rates; that is, our rate is the same as the terminal Seattle, Portland, or San Francisco, although some of the points are 1,000 miles nearer to the eastern terminal than the cities on the coast.

When there was no longer any competition with the boats passing through the canal, what did the railroads do to the coast cities? Immediately they raised the rate. Just as surely as I am standing here to-day, if we permit these railroads to put the boats out of business, just so surely will the railroads again raise their rates to the coast cities. I wish to say to those who contend that we of the intermountain country are injuring our own people by contending for this bill, that if it were not for the fight we have made on the floor of the House and the Senate for this bill, we would all be paying much higher freight rates than we are at the present time. They are too high to-day, but they would have been much higher.

The whole West is now under this terminal rate. You can draw a northern and southern line through the middle of the Dakotas, Kansas, and Nebraska, and everything west of that line pays the same rate on commodities shipped from the East. The rate from Chicago to points in western Kansas is the same as the rate from Chicago to San Francisco. That is the condition to-day. It has existed for eight years. We are not asking in this bill to change this condition, unfair as it seems to many of us. To all intents and purposes the Gooding bill has been in effect in the West for eight years.

As has been said, during these eight years we have also ironed out our old east-bound discriminations, such as wool and hides. It used to cost more to ship hides east from Montana than if they were shipped from Seattle. In the case of wool the railroads built up a structure in the West that forced the wool baling and scouring industry to Portland and Los

Angeles. The inferior woolgrower—and all woolgrowers are inferior—could not ship direct to the Boston market; he could only reach Boston by first shipping to Portland or to Los Angeles. The wool grown in Montana was shipped from Portland and then back over the same rails through Montana to Boston. These wool rates were straightened out about a year ago, so that now they can reach the Boston market direct, and the woolgrower is thereby saved thousands of dollars. It has meant, however, a long and bitter struggle. It will thus be seen that the West is on a terminal rate—both the East and the West—and this bill does not change this situation. All we are asking at present is that it be maintained and that we be not discriminated against to the extent at least that we have been in the past. We are willing at present to pay the terminal rates, but we do not want to have to pay more.

Mr. SIMMONS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WHEELER. I yield.

Mr. SIMMONS. I am very much interested in what the Senator has been saying, but does he contend that at the present time we have in this country practically the conditions that are provided for in the Gooding bill?

Mr. WHEELER. At the present time?

Mr. SIMMONS. At the present time.

Mr. WHEELER. Yes.

Mr. SIMMONS. Then the Senator is not complaining as to anything that has been done in the exercise of its discretion by the Interstate Commerce Commission with respect to rates, but he is for the Gooding bill because he apprehends that in the future the Interstate Commerce Commission will not discharge its duty toward the people of this country as it has discharged it in the past, and is doing in the regulations and the rates being fixed by them at the present time?

Mr. WHEELER. The Senator from North Carolina misunderstands the situation in the Northwest as it has been.

Mr. SIMMONS. I was not discussing that. I was simply trying to elicit from the Senator whether he was satisfied, as I inferred from his remarks that he was, and whether others in the intermountain States were satisfied, with present conditions, but were apprehensive of a change in the attitude of the Interstate Commerce Commission with reference to this matter.

Mr. WHEELER. I will say this to the Senator, as I expect to point out a little later in my address, that we are apprehensive that there will be a change, because of the fact that every two years the great railroad companies of the country have gone to the Interstate Commerce Commission asking that rates be changed. We know what they have done to us in the past; we want stable conditions there, and we feel that we are entitled to stable conditions.

Even the concurring opinion written by Mr. Woodlock, a member of the commission, as I shall show a little later, points out that in the future he will consider another application along the same line that has been followed in the past, and the business interests, the shippers of that country, constantly have hanging over their heads the threat that the policy may change. There is no organization in the world that can afford to put its money into a business, with the constant threat hanging over its head that conditions are to be changed, and that it will be discriminated against.

Mr. SIMMONS. The Senator must not understand that, in asking him the question I propounded, I was actuated by anything except a desire to obtain information as to his exact attitude, as reflected by his remarks.

Mr. WHEELER. I have tried to give the Senator an indication of my attitude.

Mr. SIMMONS. I did not desire to enter upon any controversy about the matter. I wanted to know whether the Senator meant to state, as I inferred that he did state, that under present conditions we have practically the conditions contemplated by the Gooding bill in effect and in operation.

Mr. WHEELER. Exactly; that is the idea.

Mr. SIMMONS. If that is true, then I understand the Senator is not complaining as to anything the Interstate Commerce Commission has done under the authority of the present law and under the fourth section—

Mr. WHEELER. Oh, yes; we are complaining.

Mr. SIMMONS. But that he is apprehensive that unless the commission is restrained by prohibitive legislation, they will in the future do something that would be hurtful.

Mr. WHEELER. I will say again that the Senator from North Carolina is not correct at all. They have discriminated against us in the past. In the last decision they did not allow the railroads application to discriminate against us but we are apprehensive, basing our apprehension upon what they have done to us in the past.

Mr. SIMMONS. I have not said yet that I thought they had or that they had not, but I wanted to know whether the Senator was basing his contention in favor of the Gooding bill upon what has been done, what is now being done, or upon what he apprehends will be done by this body in which we have lodged such broad discretion.

Mr. WHEELER. I am apprehensive of what they will do.

Mr. GOODING. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. GOODING. I want to say to the Senator from North Carolina that the Senator from Montana was discussing conditions as far as the transcontinental freight rates are concerned. There have been no violations—as is admitted in the hearings and admitted on the floor—as far as transcontinental freight rates are concerned, since 1918, but there are violations in effect and now being granted by the Interstate Commerce Commission in other parts of the country. I have seen my own neighbor go to market with a carload of cattle, to Portland, and pay \$8 more on that carload of cattle from my station than the cattle grower paid from Gibbons, Mont., a haul 320 miles longer. I have seen sulphur pass my town going from Texas to Payette, and paying a freight rate of 95 cents a hundred, a hundred thousand pounds of sulphur in that car, paying \$950, but sulphur carried on to Portland, 436 miles farther, pays a rate of 65 cents a hundred, the Portland buyer of sulphur paying only \$650 a car. All through the South, I will say to the Senator from North Carolina, there are violations of the fourth section. In other words, the farmers of Arkansas pay a higher freight rate on fertilizer than do the farmers of Tennessee, the latter having a haul considerably longer. That is what we are trying to eliminate. The Senator from Montana was only discussing transcontinental freight rates.

Mr. BRUCE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Maryland?

Mr. SIMMONS. I was only asking the question with reference to the position of the Senator. I did not hear what the Chair said.

The PRESIDENT pro tempore. The Chair asked the Senator from Montana whether he yielded to the Senator from Maryland.

Mr. WHEELER. I yield to the Senator from Maryland.

Mr. SIMMONS. I beg the Senator's pardon.

Mr. BRUCE. What I intended to say was to be for the benefit of the Senator from North Carolina; but I will gladly yield to him.

Mr. SIMMONS. I will not interrupt the Senator's question.

Mr. BRUCE. I wanted to call the attention of the Senator from North Carolina, because this is a matter of vital significance in this discussion, to the fact that not only are the transcontinental railway lines at the present time not giving any lower rates to the Pacific coast than to intermediate points, but in every instance since 1918, when they have applied to the Interstate Commerce Commission for the right to exercise that privilege, their applications have been denied on the ground that the granting of those applications would under existing conditions prejudice water competition.

Mr. SIMMONS. That is exactly the situation as I understand it.

Mr. BRUCE. Then I desire to call the attention of the Senator from North Carolina to the fact that practically no part of the United States is complaining about the matter of departures except the people in the intermountain territory.

Mr. SIMMONS. They are not complaining in my section of the country.

Mr. SMOOT. If that be the case, why object to a law being enacted to provide that they shall not in the future say that men who desire to make investments may not know what rates they will have to meet? The Senator does not deny the fact that they can grant relief at any time under the law.

Mr. BRUCE. Of course, the right to grant such a privilege must be lodged somewhere, either in Congress by special act or in the Interstate Commerce Commission. In my judgment, the discretion has been wisely lodged in the hands of the Interstate Commerce Commission, where similar discretion in every respect is lodged.

Mr. SMOOT. I say to the Senator from Maryland that he is too fair a man and too good an American to say, if he lived in one of the intermountain States and suffered as we have suffered year in and year out, that he would hesitate under the circumstances to see that such power never should be lodged in any agency of our Government.

Mr. BRUCE. I say that, as I see the situation, the Senator is like a child crying for something that would do him more harm than good when he got it.

Mr. SMOOT. If the Senator had to pay \$400 per car more to his home town than to a place 800 miles farther away on the same line of railroad, I do not think he would consider himself childish if he protested against it. He would consider us very foolish if we did not undertake to rectify that crime in our case.

Mr. BRUCE. Moreover, I say the Senator is like a young lawyer who insists on arguing his case after the court has decided in his favor.

Mr. SMOOT. But the Congress of the United States is our court.

Mr. GOODING. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. GOODING. Would the Senator submit to a violation similar to what we have submitted to—that Baltimore should be required to pay a higher freight rate from New York than Chicago on the same class of freight moving over the same railroad? We are not willing to submit to any such discrimination, nor would he be willing to do so at Baltimore. That is what we have been subjected to.

Mr. BRUCE. We are willing to submit to the Interstate Commerce Commission any and every question that may arise in connection with the railroad transportation system of the country and to abide by its decision.

Mr. GOODING. But the Senator's section of the country has been saved in the past. We have been destroyed. The Senator's section occupies an entirely different position. We have not been able to develop any of our industries in our section of the country. The Senator's section is too strong politically for the commission to discriminate against Baltimore; but towns in my State are so weak and have so little power in the Government that the Interstate Commerce Commission has continued to discriminate against them, and is discriminating against them now.

Mr. BRUCE. We have no particular influence with the administration. We are just a lot of poor Democrats.

Mr. SIMMONS and Mr. WALSH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield first to the Senator from North Carolina.

Mr. SIMMONS. I do not want to take too much of the time of the Senator from Montana. I simply want to say that the purpose of my interruption a few moments ago was to clarify a situation that I thought had become somewhat beclouded. I have been suspicious for several days that a good deal of the advocacy of the Gooding bill was based rather upon apprehension of what might happen through the rulings of the Interstate Commerce Commission than upon what had already happened. The remarks of the junior Senator from Montana rather convinced me that there might be something in that thought and I interrupted him for the purpose of ascertaining if that were true with respect to his own position. The Senator from Utah [Mr. SMOOT] then injected himself into the controversy, and I thought it was pretty clear from what the Senator from Utah said that in his mind the question of what might or may happen in the future was exercising a very important influence upon his action and his judgment in the matter. I may be entirely wrong about that, and if I am I should like to be advised about it.

Mr. WALSH. Mr. President—

The PRESIDENT pro tempore (Mr. McNARY in the chair). Does the Senator from Montana yield to his colleague?

Mr. WHEELER. Certainly.

Mr. WALSH. The Senator from North Carolina is quite right about it. The Senator stated exactly the position of the western Senators.

Mr. SIMMONS. I think it is very important for us to know whether the attitude of the intermountain Senators is based upon their apprehension of the future acts of the commission—

Mr. WALSH. That is exactly it.

Mr. SIMMONS. In its interpretation of the relief clause of the fourth section, or whether it is because of some ruling which the commission has made in the past and which is now in effect throughout the country.

Mr. WALSH. The Senator has stated the situation quite accurately. So far as our rates generally are concerned, the present situation is entirely satisfactory, but we are apprehensive that the persistent appeals for discriminatory rates will in time be yielded to by the Interstate Commerce Com-

mission. It is true that applications have been made and have been rejected within recent years, but the Senator will bear in mind that the law dates from 1907, and for the 11 years, from 1907 to 1918, the discriminatory rates were in effect. They were abrogated, and we were given the same terminal rates only in 1918 when the water competition was out of existence by reason of war conditions.

Now, I say, for the information of the Senator from North Carolina, that we are apprehensive at all times that the representations of the railroad companies may again prevail with the Interstate Commerce Commission as they did during the entire period from 1907 to 1918. Why should we not be apprehensive about it?

Mr. BRUCE. Mr. President, may I interrupt the Senator from Montana again?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Maryland?

Mr. WHEELER. I yield.

Mr. BRUCE. The Senator is aware that on four different occasions since 1918, first on the reopening of the fourth section cases, then subsequently in the first transcontinental lines case, and then later in the transcontinental lines case of 1922, and again only last Saturday, the Interstate Commerce Commission, every time such applications for departure have been made to it, has rejected the application.

Mr. WALSH. At the same time investments of all kinds must be made in our section of the country with a perfect understanding that they may change their minds about it at any time.

Mr. BRUCE. Should water competition through the Panama Canal ever assume such colossal proportions as to make anything like profitable transcontinental railroad transportation to the Pacific coast impossible or difficult, then of course it is fair to assume that the Interstate Commerce Commission in the exercise of its discretion would take up the question again and in the light of the then existing circumstances do as it has heretofore done; that is to say, arrive at a just and reasonable conclusion.

Mr. FESS. That is the situation upon which I wanted to make an observation. If the water route is carrying now 90 per cent of the coast-to-coast trade and would ultimately carry 100 per cent of it, it is a question whether the Interstate Commerce Commission should not permit the relief in the interest of everybody.

Mr. WALSH. That is exactly the situation, and every investment that is made in the intermountain territory must be made in that uncertain state of what the rates are going to be.

Mr. BRUCE. In other words, it would not do for the inter-coastal transportation lines to be bringing carloads of freight to San Francisco when there were no railroads strong enough to handle them after they reached there.

Mr. FESS. In other words, that would destroy entirely the policy of the Government to maintain the two competing lines.

Mr. WALSH. And destroy it at our expense.

Mr. WHEELER. Mr. President, I think as I proceed I shall be able to clear up some of the points that have been discussed. The Senator from Maryland said that the Senator from Utah [Mr. SMOOT] reminded him of the lawyer who argued his case after the same had been decided. This matter has been temporarily decided, it is true, but it has not been permanently decided, and that is the point about which we are complaining. We want to place the people of the West in a position so they will know how much money they can invest and what their railroad rates are going to be. Everybody knows that the railroads can either make or break a section of the country or a community by the rates which they give to the particular locality. If it had not been for that fact, we never would have passed the transportation act at all. The purpose, or one of the purposes, in passing the transportation act in 1887 and creating the Interstate Commerce Commission was to prevent those very things from happening. So when Senators say that we have nothing to complain about and that the Interstate Commerce Commission will treat us fairly, all we have to do is to go back eight years and ascertain what they were charging us then in the intermountain country and what they were charging to the coast. All we have to do in order to see whether or not it will injure the coast if this bill is not passed is to see what they did to the coast during the war when they raised their rates.

When the railroads returned to private ownership in 1920 they filed with the Interstate Commerce Commission an application for permission to return to the old rate discriminations. They made what might be termed a blanket application for westbound fourth-section violations. The application covered thousands of items, practically everything that could be bought in the East.

As an illustration, the rate from Chicago on iron and steel at that time was 1.35 per 100 pounds. That was the rate we paid all over the West. In the application the railroads asked permission to put in a rate on iron and steel from Chicago to Seattle and other port cities of \$1 per hundred, but desired to keep the rate to the interior cities, like Billings, Butte, and Salt Lake, at \$1.35.

After the shippers fought the matter out before the Interstate Commerce Commission for a period of two years, they won their battle and the Interstate Commerce Commission denied the application. This was about the 1st of November, 1922, as I recall it. During the Christmas holidays of the same year, and about 60 days after the commission had denied their previous application, the railroads selected 12 or 14 of the more important commodities and announced voluntarily rate reductions without discrimination. In other words, they published a rate (that is the term used by the railroads) of \$1 per hundred on steel from Chicago to the Pacific coast terminal cities and applied the same to the interior, so that Billings, Salt Lake, and western Dakota all got the benefit of the dollar rate. The same is true with reference to the other items. We think it will be found that when the railroads made this application, that they contended it would not be possible for them to give the interior points the same rate that they did to the terminal points on the coast. They contended that they could not lower their rates all along the line. When this reduction was announced, giving the interior points the same rate as Seattle, Tacoma, and San Francisco, these cities protested to the Interstate Commerce Commission and asked that they be held up.

Some one said on the floor of the Senate the other day that we were acting like a dog in the manger; that we do not want to have the coast get a lower rate unless we get it, too, and that we were jealous of the coast. Nothing of the kind! We are entitled to a better rate than they are, because we are 1,000 miles farther from the western coast than they are, and we are 1,000 miles nearer to eastern shippers than the coast. We ought to get the benefit of that in the interior section of the country, but we do not get it. We are not asking in this bill that we should be given that preference. All we are asking is that we be given the same privilege. When we ask that, here are the cities of Seattle, Portland, San Francisco, and particularly Seattle, protesting against the railroads coming in and voluntarily saying, "We are going to give you a rate of \$1." Seattle, for example, protested against a reduction of 35 cents a hundred on iron and steel, a saving of thousands of dollars to her own people, merely because Spokane, Boise, Butte, and Billings would have the same reduction. The Interstate Commerce Commission have allowed the rates in spite of these protests, and the reductions took effect March 19, 1923. This has saved to the people of this intermountain country hundreds of thousands of dollars.

It was not long, however, until the railroads filed a new application for the fourth-section violations. This time they limited their application to 47 commodities, since reduced to 43. They selected only those commodities which were mostly carried through the Panama Canal, and on which they could make the strongest showing of water competition. The application includes iron, steel, dry goods, paper, and so forth. This time they asked permission to reduce the rate to the Pacific coast terminal from Chicago to 80 cents per hundred, and to keep the interior country on a dollar basis.

I will show before I get through with this discussion that Mr. Adams, of the Union Pacific Railroad Co., wanted to put into effect a rate of 80 cents a hundred to Colorado and Utah points, and charge Pacific coast points a dollar. The other railroads of the country, however, would not permit him to do so, and yet we hear Senators contending that the railroads can not do it; that they should not do it.

It is argued we are trying to destroy the railroads and hurt the interior of the country. Trying to hurt the interior of the country! We are trying to get the railroads of the country to give the intermountain country a square deal. We are not asking that they be compelled to go as far as Mr. Adams, of the Union Pacific Railroad Co., said they ought to go; we are simply asking that they give us of the intermountain section the same rates as they do the coast, and yet we hear special pleaders upon the floor of the Senate stating that we should not be given this terminal rate.

So, Mr. President, you can readily understand why we are apprehensive of what the Interstate Commerce Commission may do. Read the decision of the Interstate Commerce Commission in the case just decided on last Saturday. It was a divided opinion. I think it was seven to three, if I am not mistaken; and Mr. Woodlock, who had previously announced that he was against the bill, while concurring in the decision, stated in

substance that at some other time when the Panama Canal business had reached normal, he would then consider another application from the railroads.

Mr. GOODING. Mr. President, will the Senator from Montana yield just at that point?

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. GOODING. I want to present to the Senator from North Carolina [Mr. SIMMONS] an additional situation, because I know he is always fair and wishes to look at all questions in a big, broad way.

We in the intermountain country are like the burned child who dreads the fire. We have suffered, and we are suffering because of several violations which I shall show later on. Capital is never going to invest in industry so long as this situation is hanging over us and there is any danger, nor is capital going to invest in the building of river craft or ocean-going steamers to carry on coastwise business so long as there is any danger at all that the Interstate Commerce Commission is going to destroy their investment. So we in the West are held stationary. We have not a manufacturing industry in the West. We can not have it until this question is settled, until we have a public policy in this country which insures that property in the West shall not be destroyed; that in the West there shall not be any discrimination, as is the case in the East, with the exception of one discrimination on coal. How any Senator can justify some small community having to pay more for the coal it burns than does some bigger city which has water transportation and which has advantages in a hundred ways over the small community which is now being developed I can not understand. It can not be justified; it is not Americanism; it is a violation of the spirit of the Constitution and can not be regarded in any other light.

Mr. WHEELER. Mr. President, I might add that we have in the West the finest and greatest water power in the whole country; we have the raw materials there. If we could get as reasonable rates as we should get, that great intermountain section would be built up, and that would be a great benefit to the railroads themselves.

Mr. SIMMONS. Mr. President, will the Senator from Montana permit an interruption?

Mr. WHEELER. Yes.

Mr. SIMMONS. Referring to what the Senator from Idaho [Mr. GOODING] has just said, I should like to ask the senior Senator from Montana [Mr. WALSH] if I was correct in assuming from what he said a little while ago that the intermountain sections are satisfied both with the local and through rates that now obtain there?

Mr. WALSH. I did not intend to convey that impression at all. We insist that the rates which are exacted of us are quite unreasonable; but that is a consideration separate entirely from the question presented by the pending bill.

Mr. SIMMONS. That may be so. Then I misinterpreted what the Senator said. I thought the Senator's statement was broad enough to comprehend satisfaction with both the through rates and the local rates under present conditions.

Mr. WALSH. I certainly did not express myself clearly if the Senator got that impression.

Mr. SIMMONS. I wanted to be clear about it.

Mr. WALSH. We are complaining that the rates are too high. I think it is the general impression all through the western country that the rates exacted of us are too high; but that is quite separate and apart from the question which is presented by the pending bill.

Mr. SIMMONS. I myself rather thought so, but I understood the Senator from Idaho to speak of that as one of the fundamental and essential features of this proposed legislation.

Mr. WALSH. I did not so understand him. What we complain about is that we are unable to establish industries and business enterprises of all kinds in that section of the country in competition with industries upon the Pacific coast, because they get this low rate and invade the territory which is really tributary to the interior points.

The Senator can very readily understand that if Portland and Seattle and San Francisco can get a less rate than we can get at Butte, Mont., our opportunity for developing jobbing business and manufacturing enterprises and other industries in the interior section is gone.

Mr. SIMMONS. I understand that.

Mr. WALSH. Take the great water powers of the State of California. We have the same thing in the State of Montana. Montana ranks high, as the Senator knows, in potential water power. Eventually, at some time or other, it is going to be a great manufacturing section and will supply the adjacent ter-

ritory; but it can not do it if all its freight rates are higher than the rates to their competitors upon the coast.

Mr. BRUCE. But they are not higher now.

Mr. WALSH. They are not higher now; that is right.

Mr. BRUCE. I will ask the Senator from Montana, even if this bill were passed would not the same cloud of anxiety rest over that region for fear that Congress might find it necessary to change the policy evidenced by this proposed act?

Mr. WALSH. Of course.

Mr. WHEELER. Of course, business is always under that fear; but they do not fear that Congress, having once adopted a definite policy, is going to change it.

Mr. BRUCE. I thought the Senator was going to say that all business is always under that incubus.

Mr. WHEELER. That is true more or less.

The rate on dry goods from Chicago to western points is \$1.58 per hundred. Everything west of the line spoken of through the middle of the Dakotas, Nebraska, and Kansas pays \$1.58 per 100 on dry goods from Chicago.

The railroads asked permission to put in a rate from Chicago to San Francisco and the other coast cities of \$1.10 per hundred and to hold the interior rates at \$1.58.

The examiner who heard this case made his report to the commission about 18 months ago, and on last Saturday a majority of the commission refused the railroads' fourth-section violations. It may be urged that the shippers of the West are fully protected by this decision. That would be true providing we had any assurance that the commissioners would remain as they are and that they would not change their mind, but we find that Mr. Woodlock, while deciding this particular case in favor of the intermountain shippers, makes it very clear that he will again permit the shippers to file a new application when the traffic via the Panama Canal and the rates reach what, in his opinion, he would term normal. That means that the shippers must at all times be in a state of apprehension as to what may happen to them in the future.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. I yield.

Mr. COPELAND. Mr. President, do I understand from what the Senator has just said that the decision which has recently been rendered by the Interstate Commerce Commission, through Commissioner Woodlock, gives the relief, temporarily at least, which the intermountain States have been seeking through the passage of the pending bill?

Mr. WHEELER. Mr. Woodlock concurred in the majority opinion. We have this rate at this particular time, but the railroads asked for fourth-section violation, as they have been doing practically ever since the act has been in effect. The commission denied them fourth-section relief, as they call it, or fourth-section violations, but intimated, or some of the commissioners did, that in the future they might grant it.

Mr. COPELAND. Then it has not been granted.

Mr. WHEELER. It was not granted in this instance.

Mr. COPELAND. If it were granted, would that give for the time being the manner of relief which the Gooding bill seeks to give?

Mr. WHEELER. I will say to the Senator that the Gooding bill does not change the status of that situation in the Northwest at the present time at all. The Gooding bill simply assures us of our present status.

Mr. COPELAND. If the Senator will permit me to press the question a little further, has the situation been changed by reason of the recent decision of the Interstate Commerce Commission?

Mr. WHEELER. Not at all.

Mr. COPELAND. Does the condition which exists at present by reason of the recent decision and past ones give protection to the intermountain States?

Mr. WHEELER. None at all.

Mr. COPELAND. So, in spite of any action actually taken by the commission, there is still need of such relief as this bill affords?

Mr. WHEELER. Absolutely.

Mr. COPELAND. Does the Senator from Idaho [Mr. GOODING] take the same view?

Mr. WHEELER. Oh, there is not any doubt about it.

Mr. GOODING. Oh, yes; absolutely. We have not got a hope out there, yet we are producing practically a large part of the raw materials in this country; but we can not get capital to invest anywhere in the interior. Capital can not be induced to invest where there have been discriminations in freight rates as long as the same body may permit them to exist again; and we have discriminations out there now.

I do not know whether the Senator was in the Chamber or not when I made the statement; but I have seen sulphur go through my town from Texas on to Payette. The rate is 95 cents a hundred, and that is a violation that is in existence at the present time; and then it goes on to Portland, 436 miles farther, at 65 cents a hundred. This sulphur is loaded at a capacity of 100,000 pounds. The people of my State are paying \$950 for a car of sulphur. Then I saw the fruit growers, who use this sulphur for spray, two years ago send their entire prune crop to market and not get a single dollar back. I saw trains pass through my State eastbound that paid the railroads \$36,000 in freight rates, but not a dollar to the prune growers; and when they appealed to the railroad for some relief they hid behind the Interstate Commerce Commission. That is what we are suffering from now, and all through the West there are more or less discriminations in that respect.

Mr. COPELAND. Mr. President, the Senator from Idaho and the Senator from Montana are assuming a very commendable position in seeking to improve conditions for their own States. I hope the Senator from Montana or somebody else in the debate will make it clear to me that if I should vote for this measure I would not be voting for something that is going to harm the State which I in part represent.

Mr. WHEELER. We can point that out to the Senator very easily, and in a very few words.

Mr. COPELAND. I shall be very happy if the Senator will do that.

Mr. WHEELER. The present fight really is a fight between the east coast and Chicago. Chicago wants to get all of the business of the west coast for her manufacturers and to take it away from the east coast. If the Senator will read the decision in the case just decided last Saturday, he will see very clearly that this whole fight is the fight of Chicago to injure, as it must injure, the east-coast business or the manufacturers in the Senator's section of the State, and likewise it takes the business away from your shipping industry.

Mr. COPELAND. Mr. President, if the Senator will permit me, Chicago is here, as I understand, fighting this bill; is it not?

Mr. WHEELER. Yes; indeed it is.

Mr. COPELAND. How does it happen that all the chambers of commerce in my State are passing resolutions in opposition to the bill and apparently in harmony with the position taken by Chicago? It seems to me that is a very remarkable thing.

Mr. WHEELER. I am glad to point that out to the Senator. A friend of mine was speaking to me the other night about the chambers of commerce, and pointed out that in the State of California the secretaries of the chambers of commerce were given passes over the railroads; in addition to that, that the Southern Pacific Railroad had in each one of those chambers of commerce a number of men. The reason why the chambers of commerce in the State of New York are passing resolutions on this subject is because of the fact that the railroads of the country are going to the secretaries of these various chambers of commerce and getting them to pass these resolutions. It is an organized propaganda that is being put out. The trouble is, Mr. President, that Congress at times seems to be willing to abdicate in favor of these chambers of commerce throughout the United States.

Mr. COPELAND, Mr. BRUCE, and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield, and if so, to whom?

Mr. WHEELER. I yield to the Senator from New York.

Mr. COPELAND. Mr. President, I have no doubt, of course, that the Senator from Montana feels that he is stating the situation exactly as it is; but, knowing many of these secretaries who have officiated in organizations in my State, I am quite convinced that while there may be a mistake of the mind, they are honest men.

Mr. WHEELER. I will say to the Senator from New York that there is not any doubt about their being honest, but they are misled.

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I do.

Mr. GOODING. Will the Senator from New York let me read into the Record the present freight rates from New York and from other eastern cities, together with the rate from Chicago?

Mr. WHEELER. Certainly.

Mr. GOODING. At the present time the freight rate on dry goods from New York to Pacific coast points is \$1.87½ a hundred; from Pittsburgh, \$1.73 a hundred; from Detroit,

\$1.65 a hundred; from Chicago, \$1.58 a hundred. Now, it is the strangest thing, something I am not able to understand, and I should like to have some Senator tell me why New York or any other city east of the west line of Indiana should be against this bill, because here is what happens: If those violations had been granted—and I have a right to argue from the point that the Senator who leads the opposition to this bill believes they would be granted, and all of his argument against this bill was based on the fact that those violations ought to be allowed—every city and every industry east of the west line of Indiana would have suffered.

Here is Chicago. If these violations had been granted, their freight rate on dry goods would have been reduced from \$1.58 to \$1.10 a hundred, making a differential in favor of Chicago as against New York of 77½ cents a hundred, 63 cents a hundred as against Pittsburgh, and 55 cents a hundred as against Detroit.

Mr. COPELAND. Mr. President, if the Senator will yield for a moment, I want to follow him. Am I right in understanding that the present rate from New York to San Francisco is \$1.87½?

Mr. GOODING. One dollar and eighty-seven and one-half cents on dry goods.

Mr. COPELAND. And from Pittsburgh, \$1.73?

Mr. GOODING. One dollar and seventy-three cents.

Mr. COPELAND. And from Detroit, \$1.65?

Mr. GOODING. One dollar and sixty-five cents.

Mr. COPELAND. And from Chicago, \$1.58?

Mr. GOODING. One dollar and fifty-eight cents. In these applications they were asking for reductions from Chicago of 48 cents a hundred; and if the commission had acted upon that application at the time all of the presidents of the transcontinental railroads appeared here in Washington, which they did in a body, and because of their great influence expected it to be granted, it would have been granted. There is not any question about that. To my mind it is only the new appointees on the commission who saved all the East here from a very serious discrimination, so far as rail transportation is concerned, to the Pacific coast.

Mr. COPELAND and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield, and if so, to whom?

Mr. WHEELER. I yield to the Senator from New York.

Mr. COPELAND. Has the Senator from Idaho any figures showing the present rates from these cities—New York, Pittsburgh, Detroit, Chicago—to some intermountain place?

Mr. GOODING. No; this only quotes the through rates. This application was only for through rates. They never asked for any reduction in the interior. It is only to meet water transportation at the other end. As far as the West is concerned, we are never given the benefit of any reduction in freights.

Mr. COPELAND. I am quite clear in my mind that, so far as the through rate from New York to San Francisco is concerned, regardless of what might be done in this matter, New York would still have the advantage of the canal rate; but I should be glad if at some time the figures were shown as to the existing rates between New York, Pittsburgh, Detroit, and Chicago on the one side and some intermountain place.

Mr. GOODING. This bill does not affect that at all.

Mr. COPELAND. Is not that matter involved?

Mr. GOODING. No; not at all. All that is involved in this bill is that it says that the Interstate Commerce Commission shall not permit the railroads to charge less for the longer haul than the shorter haul to meet water transportation for the same class of freight moving over the same railroad in the same direction. That is not involved at all; it is just the one thing.

Let me go on and show the Senator how his city will be injured.

As far as dry goods are concerned, there is but very little dry goods shipped through the canal; but the Senator's city, instead of having a differential of the difference between \$1.70½ and \$1.58 would have a differential of 77½ cents as against 37 cents. All the way through, as far as that is concerned, the differential in the interest of Chicago is increased anywhere from 30 to 48 cents on everything that is shipped out of New York over the rails to the Pacific coast. You have not any reduction at all. In fact, Chicago took the position that if they were going to give the East anything east of the west line of Indiana they would not accept it at all; and, all-powerful as the transcontinental railroads are, you can easily understand how they will not permit the eastern roads to participate in it.

Although I intended to take up this matter, I think I will wait, because I want to take it up when both of the Senators

from Ohio are here. I see that they are both here now, but I am preparing some figures to show what would happen to Cincinnati, the great soap-manufacturing city of Ohio, a great city for the manufacture of paint.

I want to say to you that if this application had been allowed, all the cities east of Chicago would have stormed the Interstate Commerce Commission, and, I think, Congress itself. The little zephyr that you have down here between Virginia and West Virginia and Pennsylvania would be a small thing compared with the cyclone that you would have brought about; and I can not understand why they lay asleep at the switch, because that is what would happen if these violations had been granted. It is a mystery to me; I can not understand it; and I can only explain it by the fact that the railroads have been demanding that there shall not be any railroad legislation passed, and the chambers of commerce have passed resolutions saying that there must not be any railroad legislation passed for a number of years; that the railroads must be permitted to get back on their feet. Since this bill has been under discussion the presidents and the vice presidents of the railroads have stalked the halls of Congress, and every day they have been sitting in the lobbies watching this debate. Perhaps they have a right to do that; but what chance have the American people as compared with the greatest organization that civilization has ever known when they are spending the people's money to defeat the legislation?

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield, and if so to whom?

Mr. WHEELER. I yield to the Senator from Florida.

Mr. FLETCHER. Since the Senator is dealing with this matter of rates and referring to figures as to rates, the Senator, of course, will keep in mind the difference between class rates and commodity rates.

Mr. GOODING. Oh, yes.

Mr. FLETCHER. Are we talking about class rates now, or commodity rates?

Mr. GOODING. We are talking about commodity rates.

Mr. FLETCHER. There is quite a difference.

Mr. GOODING. Yes; but through-carload and commodity rates are affected in the same way—not class rates. There is a vast difference; the Senator is quite right about that; but when there are more Senators in the Chamber from the States east of Chicago, I desire to take up and discuss what would have happened east of the Indiana line, and I will give the Senator the rates through the Panama Canal on soap and other things. To my mind it is the most mysterious thing that we have ever witnessed in Congress. Apparently, there is a complete change of front on the part of a lot of people in opposition to this bill, who in some respects would be destroyed. They are up against the big thing; that is all.

Mr. WALSH. Mr. President, if the Senator from New York will give me his attention, I desire to say to him, referring to the communications he gets from the chambers of commerce in his State, that, of course, he is not unaware that every one of these seven great transcontinental systems has its main offices in the city of New York; that the great banking corporations of the city of New York handle, to a very large extent, these railroad properties; that Mr. So-and-So is the president of a road, and Mr. So-and-So is a vice president of a road, and Mr. So-and-So is a general manager of a road, but, as stated here by Interstate Commerce Commissioner Woodlock, it is understood that the great banking interests of the city of New York control 75 per cent of the railroad properties of the United States. So it is not at all improbable that their influence extends throughout the city and the State of New York so as to induce these representations. Take some little country town in the State of New York. Reflecting on the debate that has taken place upon this subject in this Chamber, what can the Senator from New York think of the comprehensiveness of the acquaintance of some chamber of commerce in a country town in the State of New York with this intricate problem?

Of what value is an opinion which might be expressed upon it by such a body any more than an opinion which might be expressed by a chamber of commerce in my State, except that with us this problem has been before us for years, and it is vital to us, and it is not vital to these people up in the State of New York. They are not concerned in it. It follows, it seems to me, as a matter of course, that the opinions they express are merely borrowed opinions, conveyed to them by some one who has some interest in the matter.

Mr. WHEELER. I will say to the Senator from New York that last year when this bill was pending I received telegrams from some chambers of commerce in my own State asking me to vote against the bill. When I wired and asked them to give

me the reason why they wanted me to vote against it, of course they could not give me any reason; they did not know anything about it. Afterwards some of them wrote me and told me they were entirely wrong about the matter; that they had learned since that they were mistaken. So I repeat what I said a moment ago, we in Congress are giving weeks and months to the study of these various problems, giving weeks and months of study to the Italian debt settlement and to various other things, and here is propaganda coming in from chambers of commerce telling us how to vote upon this question. You and I and everybody else, if we are honest with ourselves, know the effect of that kind of thing upon Members of Congress. It seems to me we are in some instances simply abdiquating our power to the chambers of commerce throughout the United States.

Mr. GOODING. Mr. President, will the Senator yield to me just a moment?

Mr. WHEELER. I yield.

Mr. GOODING. I want to call the attention of the Senator from New York to the social questions involved in this matter. His city in the next half century will have a population of at least 20,000,000 people. At the present time we can not accomplish settlement of the West at all. When this bill passes it will bring about a balanced settlement of America. As far as the interior is concerned, as far as my part of the country is concerned, the social problem is the biggest problem of all. There is more crime in America than in all of Europe. It is impossible to induce capital to come to the West and to develop industries, and we are driving the people all into the great cities. What is to be the result of that?

I want to say to the Senator that great events cast their shadows before them. In Chicago there is organized crime on a great scale. Just the other day the newspapers stated that 30 men went out and held up a train. Nine men robbed the National Harvester Co. under the noonday sun. There never was such a condition in any country before, and appeals are being made to the Senate and to the Government for protection. Yet Chicago is here asking for a violation of the fourth section as to 47 different commodities. That would mean a bigger Chicago. Would it be better to have a bigger Chicago at the expense of the whole Nation? I think not. It is a serious problem, and that is the light in which we should look at it. Senators should get out of the notion of thinking that it means anything as far as the interior or the rest of the country is concerned, but they should look at it from the social end. The public lands are all gone. There is no longer any opportunity of relieving congested conditions in the big cities by permitting people to find homes on the public domain. If we are to relieve the cities at all—and we can not relieve them much; even if this bill passes, we can develop only very slowly—before we can begin to establish industries at all, the cities will be double in population what they are at present, and that is a point that should be weighed in considering this question, after all, because that is the big issue, and that is the danger which lies at the very foundation of our Government itself.

Mr. WHEELER. I repeat, what we need in the intermountain country is an established condition and reasonable certainty of the future as to equal treatment in the matter of comparison, whatever the absolute rates may be. We need this in order to induce people to invest their capital and to devote their time to the establishment of manufactures, of jobbing trades, and industrial development generally. If this bill making the long-and-short-haul clause absolute is enacted, removing the discretion vested in the commission to grant exceptions to it, the interior will have a substantial basis on which to develop, and a new era of prosperity will begin throughout the vast region where so many futile attempts have been made in the past. Money and effort will not be invested in the establishment of these lines with the knowledge that under the existing law, as determined by previous members, the railroads may be permitted to make competitive rates which will not only drive the boat lines out of business but may raise the rates to the intermountain country, notwithstanding their being lowered to the coast.

I repeat, unless the principles enunciated in this bill become a law there will be uncertainty because of the changing character of the commission. The interior country will be left entirely to the whims of the commission. Admittedly they are honest men, but their training and their environment are necessarily different, and as long as they are different we will have to depend upon the views of the particular men going to make up the commission.

It is only fair to say that the railroads have not always stood as a unit in this fight against the interior, and I have no doubt

but that some of the roads in the Northwest would like to abandon the same, but they have a union and have to stand by their organization. The Northern Pacific and Union Pacific seem to have been leaders in this fight against the interior. The Great Northern Railway Co. and the Chicago, Milwaukee & St. Paul have apparently had no stomach for the fight and would like to have it dropped but for the pressure of the other roads. Disagreement among the railroads is revealed by the correspondence collected by the Interstate Commerce Commission. Acting upon a resolution of the Senate calling for a report upon the fourth section violations, as to how many there were, why they were granted, and what influences were back of them, the commission went into the files of the railroads and unearthed some very interesting correspondence, which shows that the Great Northern and the Milwaukee were not in sympathy with this fight.

I am sure that a reading of this correspondence will throw some light upon this subject. The first letter to which I desire to call attention is a letter addressed to Mr. Kenney by R. N. Calkins, of the Chicago, Milwaukee & St. Paul. Mr. Kenney is vice president of the Great Northern Railroad Co. I might say that this was when a case was pending before the commission for violations of the fourth section. The letter is as follows:

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.,
OFFICE OF VICE PRESIDENT IN CHARGE OF TRAFFIC,
Chicago, Ill., July 18, 1922.

Mr. W. F. KENNEY,

Vice President Great Northern Railway Co., St. Paul, Minn.

DEAR SIR: I have your very kind letter written at Wilmer on June 28 in reference to taking some action on coast terminal rates.

I wish that I would feel as optimistic about receiving this decision. I was in Washington a week or so ago, and I made a point to get as frank an expression as possible from some members of the commission who have this application in charge, and the only information I could get was that they hoped to reach a decision some time this summer. I am not concerned so much about when the decision will be out as I am what we will get when it is issued. I am afraid that whatever relief may be granted will be so restricted and limited that it will be of little benefit to us.

Tonnage to the terminals on a long list of commodities is much greater than that to interior points. We feel very strongly the necessity of adopting some such list as we formerly had, known as schedule C, and I believe that in delaying the adoption of such adjustment we are only permitting the canal carriers to become more firmly entrenched; and I had hoped we could discuss the whole situation.

Besides, there are other matters in connection with the transcontinental association which would be beneficial for us to review.

I am sending a copy of this letter to Messrs. Adams and Woodworth, in the hope that we might arrange for a joint conference here in Chicago, and I would suggest that Tuesday, July 25, would be a convenient date.

Yours truly,

R. M. CALKINS.

It will be seen in this letter that Mr. Calkins, of the Milwaukee, was trying to get a conference with reference to this very matter, to be held at Chicago with the other railroads, because he was very tired of the fight that was being made.

I next read a letter dated July 20, 1922, as follows:

JULY 20, 1922.

Subject: Transcontinental—Establishment of terminal rates to Pacific coast.

Mr. R. M. CALKINS,

Vice President Chicago, Milwaukee & St. Paul Railway,
Chicago, Ill.

DEAR SIR: I have been absent from Omaha the greater part of this month; therefore you have not previously heard from me direct with respect to the terminal rate situation, the subject of your joint letter of the 23d addressed to Messrs. Woodworth, Kenney and myself and yours of July 18 to Mr. Kenney.

I am quite agreeable to attending a conference for a discussion of this question at a date which can be mutually agreed upon, but I regret that conditions are such that I can not promise to be present until some time about the 10th or 15th of August.

You are, of course, aware of the very serious break in rates via the water route through the Panama Canal, and so long as the steamship lines continue in their rate war I do not suppose any rate we could make would attract to the rail lines very much of the business that is now moving through the canal.

The establishment of rates to the Pacific coast terminals which will meet the water competition to a reasonable extent and the application of same as maximum at intermediate points will establish a precedent that ought not to be created and will result in such inroads in the revenues of the rail carriers to be, in my judgment, inadvisable.

Since your communications have been addressed to the north coast lines only, it occurs to me that you may not have given thought to the California business, in which you participate to a considerable extent. It is not at all possible that in the final analysis the added traffic to be secured at the low rates which would be necessary to meet the water competition would not compensate your line or any other for the sacrifice of net revenue accruing out of the earnings at the current higher rates on business which we are now handling.

It can not be that the commission will much longer delay its decision in this case, but any move along the lines suggested by you would probably have the effect of causing a much longer delay than otherwise would happen.

Having waited so long, I am inclined to suggest that we sit tight and await the decision of the commission.

Very truly yours,

H. M. ADAMS.

The next is a letter addressed to Mr. Woodworth, of the Northern Pacific, dated July 27, as follows:

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.,
OFFICE OF VICE PRESIDENT IN CHARGE OF TRAFFIC,
Chicago, Ill., July 27, 1922.

Mr. J. G. WOODWORTH,

Vice President Northern Pacific Railway Co.,
St. Paul, Minn.

DEAR SIR: Your memorandum of July 6, in regard to rate which the American-Hawaiian and Luckenbach people are making to the coast.

I do not agree with you that reductions in our rates would do no good. They probably would not, as far as shipments from the Atlantic coast are concerned, but I think you will agree with me that any reduction that may be made will relieve the pressure of our manufacturers in this section, and that is what I am looking for.

I am very sorry, indeed, that the other Northwest lines do not feel like going along with us in a conference on this matter, as I think it is quite probable that lines situated as our own, serving the large manufacturing districts in Illinois and Wisconsin, have these matters more urgently pressed upon them than those lines who act largely in the capacity of connections.

I assure you that the arguments presented to us almost daily, without question, have merit, and it is difficult for us to longer delay extending some relief on some of these important subjects.

Yours truly,

R. M. CALKINS.

I desire likewise to call attention to letter of Mr. R. M. Calkins, vice president of the Chicago, Milwaukee & St. Paul Railway, to the vice presidents of the other roads:

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.,
OFFICE OF VICE PRESIDENT IN CHARGE OF TRAFFIC,
Chicago, Ill., June 23, 1922.

GENTLEMEN: I would like to receive an expression from you as to how you feel in regard to giving consideration to the publication of some terminal or coast rates from Chicago on such list of commodities as we may think important without waiting for the fourth section decision.

We feel this subject is so important that it ought to receive special consideration; therefore I would like to suggest a meeting at the Union League Club, Chicago, 12.50 p. m., Chicago time, on Thursday, June 29, in order that we may discuss the situation.

Will you please advise by wire if you can attend such conference?

Yours very truly,

R. M. CALKINS, Vice President.

Here again it will be noted that Mr. Calkins, of the Chicago, Milwaukee & St. Paul, was urging upon the other railroad executives to put into effect the terminal rates and not to discriminate against the intermountain country. I wonder what becomes of the argument of the Senator from Ohio [Mr. Fess] with reference to the proposition that it would destroy the railroads if this service were put into effect?

I come next to correspondence between other railroad officials. I desire to call attention to a telegram from Mr. Woodworth, dated Helena, Mont.:

[Telegram]

HELENA, June 26, 1922.

H. M. ADAMS, Omaha, Nebr.:

Just advised of Calkins's letter dated 23d; have wired him as follows: "Letter received; can not attend meeting Thursday; we expect to make rates which will meet ocean competition at Pacific coast terminals and contiguous interior points, but we are opposed to publication of such rates under present conditions. The commerce act provides for the making of exceptional rates to meet water competition. All railroads, including yours, have joined in application for necessary permission; hearings and arguments were completed four weeks ago. The commission has never failed to grant relief on similar applications heretofore made, and we have no reason to expect un-

favorable decision in this case, or that decision will not be handed down within 30 days. The tendency of ocean rates is downward; extremely low rates will be necessary to permit participation of rail carriers in business at terminal points. We believe you will agree with us if you will carefully measure ultimate effect of reduction terminal rates pending decision of commission, such action would weaken our defense against threatened attack on Pacific coast interior rates; it would also provoke disapproval of commission and expose us to criticism of others who are now trying to show that present plight of railroads is due to lack of wisdom and efficiency in administration.

J. G. WOODWORTH.

In other words, here was Mr. Woodworth, of the Northern Pacific, wiring to Mr. Adams against the publication of the lowered terminal rates pending the decision, because of the fact that he thought it might influence the decision against them if they did so.

Then I have a telegram from Mr. Adams, of the Union Pacific, to Mr. Woodworth:

[Western Union Telegram]

OMAHA, June 27, 1922.

J. G. WOODWORTH,

St. Paul, Minn.:

Have replied Calkins's letter 23d. Can not attend meeting Chicago 29th. Think your reply should convince him that proposed step would be unwise.

H. M. ADAMS.

Next I call attention to a letter dated July 3, 1922, from Mr. Woodworth to Mr. Adams:

NORTHERN PACIFIC RAILWAY CO.,
TRAFFIC DEPARTMENT,
St. Paul, July 3, 1922.

Mr. H. M. ADAMS,

Vice President Union Pacific System, Omaha, Nebr.

DEAR SIR: Sent you copies of telegrams exchanged with Mr. Donnelly while he was in New York about our fourth-section application involving Pacific coast terminal rates. I now send you copy of another message, which I sent to him from Billings.

I think Mr. Calkins must have talked with Chairman McChord while in Washington. We know that he is against us, his attitude toward the long-and-short-haul question being based upon his experience in the South and his desire to see that situation cleared up.

Certainly the transcontinental railroads have good cause for complaint against the commission. They are permitting hundreds and thousands of exceptional rates to be made with much less justification than we have in this case. We waited one year to let the steamship rates settle before we filed our application, and almost a whole year has gone by since we filed our application.

The handling of this matter by the commission from the beginning has suggested intentional delay and unless something is done to arouse them I don't believe we will get a decision for several months; in other words, Mr. Calkins is right when he says the decision is likely to be longer delayed, and of course he is right when he suggests that we act in advance of the decision.

Yours truly,

J. G. WOODWORTH,
Vice President.

GREAT NORTHERN RAILWAY CO.,
Seattle, Wash., July 26, 1921.

Mr. EDWARD CHAMBERS,

Vice President Santa Fe System, Chicago, Ill.

MY DEAR MR. CHAMBERS: There is intense feeling regarding request of the railroads for fourth-section relief.

I have been in Spokane and around the coast. There seems to be but little interest on the coast, while in Spokane and other inland cities the merchants are up in arms, because they understand the railroads will file the request for fourth-section relief, and my own opinion is that our filing this request for fourth-section relief will alienate all of the intermediate shippers, who, as Mr. McCarthy says, do not care what the rate is so long as they are on an equality with their competitors.

If we are ever going to fix up rates, such as you and I discussed, to apply terminal rates at intermediate points as maximum, we should, if we can do so, avoid the necessity for filing an additional fourth-section application at this time, because our filing such application will be the signal for a general attack on our rates by the intermediate States, and I think we better be prepared to apply every domestic rate as the maximum at intermediate points. If not, and we get fourth-section relief, we are going to merely build up people that will continually try to break down our rates through water competition, while the intermediate jobber, who wants to be friendly and stay with us, will be left to meet the competition from the coast.

A general attack on our intermediate rates as to their reasonableness, such as the grain rates from Montana, wool rates, livestock rates, etc., that will be precipitated by fourth-section application on our

part will lose us much more than we can gain by any relief we will secure through such application.

I have certainly reached the conclusion that if we buck the intermediate sentiment we will lose much revenue in the interior, much more than we will gain on the coast, and we will finally get an inflexible long-and-short-haul clause that will cause us a great deal of worry and trouble in the future.

Very truly yours,

W. P. KENNEY.

In this letter Mr. Kenney points out that it would be better for the Great Northern Railroad Co. not to ask for fourth-section relief, because he said they would not gain enough by that action, if they were successful, to offset what they would lose in the intermountain country; and yet under the lash of the Northern Pacific and some of the other railroad companies he was apparently forced to join with the union and to apply for the fourth-section relief. It will be noted to the credit of some of the railroad presidents, as I read the correspondence, that some of them were in favor of trying to build up the interior country, letting the ships have what they were entitled to from coast to coast, but building up the intermountain country. They pointed out in their correspondence that it would be better for the railroad companies to do this than to fight the intermountain country and try to favor the coast terminals.

I next call attention to a telegram from Mr. Adams to Mr. Countiss, of the Union Pacific:

[Western Union telegram—received at 1321 Farnham Street, Omaha, Nebr., August, 1922]

CHICAGO, ILL., 11.30 a. m.

H. M. ADAMS,

Vice President Union Pacific, Omaha, Nebr.:

Mr. Calkins suggests that meeting executive traffic officers terminal lines be called to consider readjustment terminal rates certain commodities originating in central western manufacturing district, Chicago, Mississippi River, and Missouri River. Mr. Calkins states we have no assurance of early decision on our fourth-section application, and in his judgment further delay in readjusting some of proposed rates will be disastrous. Will it suit your convenience to attend meeting this office Monday, 14th instant?

R. H. COUNTISS.

It will be noted throughout this correspondence that Mr. Calkins, vice president of the Milwaukee, was trying to get reduced rates, while he was being blocked at every turn by the vice president of the Northern Pacific. They were afraid of Commissioner McChord, of the Interstate Commerce Commission, because of the fact that McChord had had experiences in Kentucky before he became a member of the commission.

I now desire to call attention to paragraphs in a letter from Adams to Robinson, an official of the Union Pacific:

EN ROUTE NEW YORK CITY, November 14, 1922.

Mr. W. F. ROBINSON:

My thought is that we should proceed with a check of the rates to determine what readjustments may properly be made under the circumstances. Probably it would be well to fix a point interior from the Pacific coast by some approximately uniform distance, say 200 or 250 miles, and so adjust the rates at that point as to reasonably assure the movement of traffic from Chicago, St. Louis, etc., against Atlantic seaboard via the water routes and Pacific ports.

The rates to points east of the dividing line should be graded with some relation to distance—that is, Salt Lake should be less than Reno and Denver less than Salt Lake, the rates at Salt Lake to be so adjusted as to fully meet any competition from the Atlantic seaboard via the water routes through Pacific ports.

H. M. ADAMS.

On November 20, 1922, Mr. Adams wrote a letter as follows:

WASHINGTON, D. C., November 20, 1922.

Mr. E. W. ROBINSON, Chicago:

Supplementing my letter of the 14th instant:

I have since read the report—

This was after the report of the Interstate Commerce Commission had been handed down—

and opinion of the Interstate Commerce Commission in our westbound transcontinental fourth-section applications and find difficulty in finding in the opinion proper basis for the order; but that is neither here nor there, since they have denied our application.

The Milwaukee are a dangerous element in this matter because of their anxiety to engage in the Pacific-coast terminal business, and Mr. Calkins will deal in a lot of statements and threats as to what he is going to do at your meeting of the 22d; but he may wind up by accepting a reasonable proposition.

I am not adverse to proper adjustment of the rates on principal commodities subject to water competition to the extent necessary to stop the movement from Chicago territory via the Atlantic seaboard to the Pacific-coast terminals and interior points, and it may be that you will find it practicable to fix rates from eastern points which will prevent the movement from such eastern points, including the Atlantic seaboard, to interior Pacific-coast points—Spokane, for example—via Pacific ports; but I assume that the question of divisions may prevent your going so far at this time if it should involve the rates to Utah and Montana or points east.

The above suggestions are rather indefinite and are not intended as a guide to what you shall do, but more as an expression of what occurs to me might be done if the figures show up all right.

The American Sheet & Tin Plate Co. want a 75-cent rate on tin plate from Gary to the Pacific coast and intermediate points. I saw Mr. Neely in Chicago on the 14th, who stated that from Pittsburgh via the canal the following rates are available: To Baltimore, 31 cents; ocean, 30 cents; insurance, 1½ cents; total, 61½ cents; but he is willing to pay 75 cents, which makes due allowance for extra cost of packing and greater value of the service.

This is an extremely low rate and I am afraid of it; but you will have to be guided by the developments at your meeting.

I am sorry that the Senator from New York and other eastern Senators are not here, because this letter very clearly points out how chambers of commerce when they send in telegrams to their Senators at Washington protesting against this bill are not doing what is for the best interest of their own communities; they are taking such action upon the representations of the railroads themselves, which are not interested in the particular communities that are sending in these telegrams. They are only interested in their own selfish scheme of defeating the pending bill and of getting as high freight rates as they can from the people, and only reducing rates where they are compelled to do so in order to get some of the traffic. If the pending bill should be defeated, and if the Interstate Commerce Commission had decided against us, freight, instead of going by way of Baltimore from the eastern cities, would have gone from Chicago on to the Pacific coast, thereby injuring some of the eastern cities.

Mr. Adams continues:

Mr. Neely first asked that the rate be applied from both Elwood and Gary, but I raised the question as to whether or not the western business could not be cared for from the Gary plant, and I inclose for your information his letter of November 15 to Mr. Robertson, stating that if we can fix the rate from Gary it will not be necessary to establish it from Elwood.

I shall be glad if you keep me posted as to what transpires at the Chicago meeting.

H. M. ADAMS.

Mr. President, I next desire to read a telegram from Mr. Adams to Mr. Robinson, which is dated November 27, 1922, and is as follows:

F. W. ROBINSON, Joint Chicago and Omaha:

No objection your making it known if you think advisable that when these rates are adjusted Union Pacific will advocate rates at Utah common points and Butte lower than currently maintained to Spokane and Reno, and it will naturally follow that we must likewise advocate rates at Colorado common points lower than at Utah common points. Am not prepared at this time to state what basis for rates Utah and Colorado should be adopted.

H. M. ADAMS.

In other words, here is Mr. Adams himself, of the Union Pacific Railroad Co., stating that he desires to give a lower rate to Utah and Colorado and Montana points than he gives to the Pacific coast; yet we find that Senators from the East are so solicitous about our western country that they are afraid we are going to injure our own territory by passing this bill. I suggest to them that they examine the question and ascertain how this measure would affect their own section of the country, their own shippers, their own manufacturers, and see if it would not help them just as it will help us, and that they be not guided solely by the propaganda that is being put out by the railroads of the country.

The Interstate Commerce Commission at this time decided against the railroads; they had lost their case; and Mr. Adams now proposed "graded" rates to the West, rates graded according to distance, cheaper rates to Salt Lake than to Reno, and cheaper rates to Denver than to Salt Lake. This is, of course, exactly what should be done, and Mr. Adams here admits it.

We should have cheaper rates in Billings than are given to the Pacific coast terminal, but the Gooding bill does not go that far. All we are trying to do is to hold the rates for

Billings and other points in Montana the same as they are to the Pacific coast.

I repeat what I said a moment ago that there is not a doubt in the world but what they could give the intermountain points cheaper rates, but they do not do it.

I next call attention to a telegram dated November 24, 1922, from Mr. Robinson to Mr. Adams:

Calkins—

He is referring to Mr. Calkins, of the Milwaukee Railroad—Calkins firm in position they intend to make rates Chicago to terminals on few commodities and apply them as maximum to intermediate points. For illustration, canned goods, \$1.05; tin plate, 75; shingle bands, 80; iron and steel, such as bar, structural, etc., 90. These are lower than rates applied for in fourth-section application, which were, canned goods, \$1.15; shingle bands and iron and steel, \$1. Argument that their proposed rates to terminals not low enough to take such business against water not prevailing, but Calkins has apparently canvassed situation with concerns Chicago territory and believes they will get some traffic at these rates, and has seemingly no regard for effect proposed rates on traffic of other lines. Chambers and Woodworth here. Review of facts in fourth-section application under way to determine extent to which rates might be reduced and applied as maximum. My view and all others except Calkins that we should undertake reductions in the general list about as you have outlined; and then when presenting that adjustment also present further application for fourth-section relief and petition Interstate Commerce Commission for reopening of case. Appreciate your further views.

F. W. ROBINSON.

Next I desire to call your attention to the last paragraph of a letter from Mr. Adams, of the Union Pacific, to Mr. Robinson, as follows:

No objection your making it known, if you think advisable that when these rates are adjusted Union Pacific will advocate rates at Utah common points and Butte lower than currently maintained to Spokane and Reno, and it will naturally follow that we must likewise advocate rates at Colorado common points lower than at Utah common points. Am not prepared at this time to state what basis for rates Utah and Colorado should be adopted.

Does anyone think for a moment that Mr. Adams would make a suggestion of this kind if he felt it was impracticable or that the railroads could not afford to give Butte lower rates than they do to the coast cities? What becomes of the argument that was being made upon the floor of the Senate that we were going to destroy the railroads of the Northwest and were going to injure the people themselves, when railroad executives, by their own private correspondence, show that they can give lower rates to us, and some of them wanted to give them to us? What becomes of the plea, that we are trying to destroy the railroads, by the gentlemen who have so brilliantly argued their cause for them upon the floor of the Senate? Does anyone think for a moment that Mr. Adams would make a suggestion of this kind if he thought it was impracticable and that the railroads could not afford to give us a lower rate?

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. GOODING. At this point, if the Senator from Montana will permit me, I should like to say that all through the East and all through the South they have the graduated rates that Mr. Adams has advocated for the West, but they are denied to the West. We have an area out there of 1,700 miles where the rate is the same—freight is carried over two mountain passes for the same rate—but the railroads were not satisfied with that; they wanted the rate reduced to the coast, so that all of that vast territory between would pay higher rates.

Mr. WHEELER. Yes.

Mr. GOODING. We only ask for what the East and the South have, that is all; nothing more.

Mr. WHEELER. I next desire to read a telegram from Mr. Adams, of the Union Pacific, to Mr. Gentry Waldo:

WASHINGTON, December 1, 1922.

GENTRY WALDO, Chicago:

It is my desire to avoid becoming committed to rate basis to Utah and Colorado based on fixed percentages of rates to Reno and Utah, respectively, but as general proposition feel rates to Utah should be reasonable amount under rates to Reno or Spokane and rates to Colorado should be reasonable amount under rates to Utah.

Millage will probably justify percentages used in my message regarding tin plate, but that basis may in other cases be either too high or too low, therefore prefer leave matter to your judgment.

Please note that in relation to Utah rates I referred always to Reno and Spokane rates, thus avoiding commitment as to relationship between Pacific coast and Utah. If you or Mr. Robinson have any different views, would like to hear from you.

H. M. ADAMS.

Here again Mr. Adams says that he feels that, as a general proposition, the "rates to Utah should be reasonable amount under the rates to Reno" and to the coast, "and rates to Colorado should be reasonable amount under rates to Utah."

Mr. NORRIS. From what point is that—from Chicago?

Mr. WHEELER. It is from Chicago.

The following telegram from Mr. Calkins to Mr. Spence will be of interest as showing the fight that is still being made by the Northern Pacific to keep up the interior rates:

[Telegram]

DECEMBER 4, 1922.

Mr. L. J. SPENCE,

Southern Pacific Co., 165 Broadway, New York City:

I have seen your telegram which outlines a certain plan of procedure, and we are willing to go along with it providing certain rates which we propose to establish are made an exception to the plan. If your plan could be put into force, it would be quite desirable, but I haven't any faith in the ultimate success of it. Too much time and revenue have already been sacrificed, and to further prolong the situation with the faint hope of getting the interior to concede something is not, in my judgment, desirable. On the other hand, my thought is that if we will put in some rates with maximum loadings and with broad mixing privileges it will at least take a part of the heavy basic commodities on which the steamship companies are making their money and will do more to stabilize conditions than any other one thing, and the high minimum would have a tendency to protect our earnings on interior business. Besides it would enable us to build up that country instead of concentrating all our efforts on the terminal situation.

R. M. CALKINS.

Here is a telegram from Mr. Calkins, of the Chicago, Milwaukee & St. Paul, to Mr. L. J. Spence. Mr. Calkins outlines exactly what the representatives of the Northwest are contending for—that they would do much better if they devoted their efforts to building up the interior country instead of spending their time and their money fighting to get a reduced rate to put the boats out of business on the coast.

The next is a telegram from Mr. Woodworth to Mr. Adams. He says:

[Telegram]

DECEMBER 5, 1922.

Mr. H. M. ADAMS,

New Washington Hotel, Washington, D. C.:

Looks like complete surrender on fourth-section proposition. Spence is now getting what he wants and will propose any action which might provoke new legislation. Kenney has gone West and don't seem to care what happens. Chambers, since returning from Washington, does not favor any immediate action, and you are otherwise engaged. Did you get a copy of my letter to Chambers? What did you think about it, anyhow?

J. G. WOODWORTH.

Then I have a telegram dated December 5, 1922, from Adams to Woodworth:

[Telegram]

WASHINGTON, D. C., December 5, 1922.

J. G. WOODWORTH,

Vice President Northern Pacific Railway Co., St. Paul, Minn.:

Message 4th and copy letter, Chambers, received. Am without sufficient advice proceedings at Chicago to enable me criticize what is being done, and I have not seen Spence's messages referred to. From what I know of situation, adjustment proposed by those apparently determined to force the issue will reduce earning on intermediate traffic without securing terminal business and will therefore prove detrimental all around, and I doubt if there is any way to stop it. Saw Wettrick yesterday and discussed situation quite frankly with him. He will be in Chicago in few days and promised see Calkins. Possibly pressure from Pacific coast cities would result in more moderate action. Expect be here for another week.

H. M. ADAMS.

Here is Mr. Adams talking about having pressure brought from the Pacific coast. What does he mean by that? Why, he means just what has been done in this session of Congress—having the chambers of commerce on the Pacific coast bring pressure to bear upon the heads of the Chicago, Milwaukee & St. Paul Railroad Co. because they are trying to give to the interior country something that belongs to them.

I desire also to call your attention to a paragraph in the memorandum of S. F. Miller, representing one of the roads at a

conference of railroads, which it is apparent Mr. Calkins had evidently forced the roads into. The third paragraph of this memorandum reads as follows:

[Taken from article in files by S. F. Miller]

JANUARY 3, 1923.

Chicago & North Western Railway files. Present in Mr. Boyd's office, January 3, 1923: Chicago, Burlington & Quincy Railroad; Chicago, Rock Island & Pacific Railroad; Union Pacific Railroad; Chicago, Milwaukee & St. Paul Railway; Chicago & Alton Railroad; Chicago & Great Western Railroad; Chicago & North Western Railway.

There seems to be no doubt but the Colorado lines, particularly the Chicago, Burlington & Quincy Railroad, will insist on grading back the Pacific coast rates to Utah, Colorado, etc., rather than apply the Chicago rates as a maximum; in fact, it was stated that Mr. Adams, of the Union Pacific Railroad, was figuring on making a rate to Utah 80 per cent of the Chicago-coast rate, and to Colorado 64 per cent, though nothing of a definite nature had been reached.

S. F. MILLER.

Again, it will be noted from this that Mr. Adams, of the Union Pacific, is still insisting on grading rates which would make Utah's rate 80 per cent of the coast rate. The coast rate now is \$1, and 80 per cent would be 80 cents. This is the rate they now want to put in operation to the coast, and they now want the rate they then proposed for the coast applied to the intermountain country.

They tell the Interstate Commerce Commission that they can not apply this rate to the intermountain country, but behind closed doors and in their conferences they claim that they can put this rate into operation. So, Mr. President, again I ask, what becomes of the argument of the gentlemen upon the other side when they say that we are going to destroy the railroads if we ask them to give us the same rate that they give the coast, when in their private conferences they admit that they could give us a cheaper rate than they are giving to the coast at the present time?

I now read a paragraph from Mr. Adams's letter to Mr. Robinson, dated January 20, 1923, as follows:

[Memorandum—Establishment of terminal rates to Pacific coast]

OMAHA, NEBR., January 20, 1923.

Mr. F. W. ROBINSON:

The conclusion was reached that a further effort should be made to induce the Milwaukee to agree to the postponement of the publication of any rates until a conference with the shippers could be had, and Messrs. Wait and Haynes will see Mr. Byram on Monday morning, and I assume some one will advise us of result of these further efforts.

H. M. ADAMS.

(Paragraph taken from letter of Adams to Robinson.)

It will be seen that they wanted to go over Mr. Calkins's head, because Mr. Calkins was insisting on giving a low rate. They were going to see Mr. Byram.

I next quote the first paragraph in a telegram from Gentry Waldo to Mr. Adams, of the Union Pacific, dated January 22, 1923:

[Telegram]

OMAHA, January 22, 1923.

H. M. ADAMS, Salt Lake City:

Haynes telegraphs Byram refused discuss transcontinental rates, and referred him and Wait to Calkins, who will not return until Thursday. States this will be too late if they are to carry out program of organizing Middle West and having general conference February 5.

GENTRY WALDO.

It will be noticed from this that President Byram, of the Milwaukee, refused to interfere in the matter, and referred them back to Calkins. They first attempted to get the jobbers on the coast to induce Calkins to change his mind. Then they went over his head to Byram. Calkins is tired of the useless fight against the interior, and wants to end it all by putting in low enough rates to the coast terminal to get the business without violations.

Next is a telegram from J. P. Haynes, traffic manager to Mr. Adams, vice president of the Northern Pacific:

[Telegram]

CHICAGO, ILL., January 22, 1923.

H. M. ADAMS,

Vice President Union Pacific Railroad, Omaha, Nebr.:

Confirming conversation Friday, President Byram refuses to discuss transcontinental rates and refers us to Mr. Calkins, who will not return until Thursday. This will be too late if we carry out our program of organizing Middle West and having general conference February 5.

J. P. HAYNES, Traffic Manager.

Here it will be noted that they have been trying to get Mr. Haynes, the traffic manager of the Chicago Association of Commerce, to intercede to keep the rates higher for the intermountain country.

The next is a letter from Mr. Woodworth, vice president of the Northern Pacific, to Howard Elliott:

SEATTLE, April 6, 1923.

Mr. HOWARD ELLIOTT,

Chairman Northern Pacific Railway, New York City.

DEAR Mr. ELLIOTT: Referring to your letter dated March 22 and returning clipping from Wall Street Journal.

When the ships were withdrawn in the war period our Pacific coast terminal rates were raised to the level of the Spokane rates.

That is what happened. You let these railroads lower their rates until they put the ships out of business, which they do, and then immediately they do just exactly what they did here; they raise their rates back again.

Intercoastal service was resumed in 1920, but we did not immediately propose a reduction of the terminal rates, thinking it better to wait until the steamship rates had settled to a natural level without being influenced by railroad rates.

In the summer of 1921 we filed our application for relief from operation of the fourth section, submitting a complete list on rates on commodities commonly carried by sea, and after extensive hearings the commission declined the application in a decision handed down in June, 1922.

I heretofore discussed this case with you and told you why I believed our failure was largely due to lack of complete cooperation on part of Chicago, Milwaukee & St. Paul, whose officers did not seem to understand the situation and who allowed a good many people, including some of the Interstate Commerce Commission commissioners, to understand that they proposed to meet the competition whether they got relief or not.

In other words, Mr. President, it would appear from this letter that the Chicago, Milwaukee & St. Paul had indicated to the Interstate Commerce Commission that they were going to meet the competition whether the Interstate Commerce Commission allowed them violations of the fourth section or not; and if they did that, it meant that they would reduce their rates all along the line.

I quote again:

The decision of the commission did not close the door, and most of us have felt that it would be possible to frame a new application which would meet the objections encountered by the first one, but we have been unable to agree on any plan for the new presentation, and in the meantime certain roads, particularly the Chicago, Milwaukee & St. Paul, insist upon publishing rates without fourth-section relief. These rates, which have been published to take effect April 17, represent a compromise, the number of commodities is limited, and the rates are considerably higher than rates first proposed. A very good explanation of the tariff is given in the newspaper item inclosed herewith, and a complete statement of the old and new rates will also be inclosed. None of these rates are low enough to meet ocean competition and will not materially increase our business at terminal points, but they will influence direct movement to interior points, like Spokane, of some things now being shipped from the East via canal and back hauled from Portland, Seattle, etc.

There may be some question as to whether such gains in connection with the Spokane and other interior business will offset losses through reduction of rates to Butte, Missoula, and other intermediate points—in other words, I do not believe the new rates will materially increase our earnings, and the making of them without fourth-section relief will undoubtedly weaken our position and lessen the chance of favorable action on the further application we intend to make and which is now being discussed by the freight traffic managers at Chicago.

Here again it will be noted that Mr. Woodworth is still protesting against putting the interior country upon a terminal basis. He goes on to say:

For example, this tariff makes a rate on iron and steel \$1 from Chicago to Portland, Seattle, etc., which will do no good, because the ocean rate from New York and Baltimore is 25 per cent and the total cost of shipping iron and steel from Pittsburgh via the canal, including insurance, does not exceed 60 cents. We need a 75-cent rate from Chicago to get any considerable part of this business, and that is the rate we will ask for in our new application.

As you know, we have heretofore taken a very prominent part in these transcontinental-rate cases; in fact, we did more than our share of the work and made ourselves very unpopular at Spokane and other interior points. After talking with Mr. Donnelly and yourself it was decided that we would in future do our part and no more, and that is the rule we have been following in the past year.

Had it been possible to foresee the results, we might have decided to stay in the front line, but I am not sure that it would have made

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any difference. We did not exactly run away, and perhaps it may be possible to hereafter say that we lived to "fight another day." Of course, this question of transcontinental rates—the long-and-short-haul question—is the most important thing before us to-day. Undoubtedly it was the purpose of Congress to provide for the making of exceptional rates under conditions such as were set forth in our application for fourth-section relief, and the commission has granted relief in many other cases where the showing was no more complete or convincing, but in those cases there was no such strong opposition. It is safe to say that \$3,000,000 could have been added to the Northern Pacific for the year 1923 had we been able to obtain relief as it was given in past years.

In other words, Mr. President, they could have gouged out of the people of the intermountain country \$3,000,000 which they did not get because of the fact that the Interstate Commerce Commission did not grant them the relief.

Some say that we should not have any fear; that the Interstate Commerce Commission has decided the matter, and that ought to relieve us. What does Woodworth say in this letter? He says: "We will live to fight another day," does he not? And he meant what he said, because they did fight again, and they will continue to fight at it as long as discretion is vested in the Interstate Commerce Commission.

Of course, it is claimed that the transportation act of 1920 carried a different long-and-short-haul provision, but there was no change in the wording of this clause which made it impossible for the commission to grant our application had they been so disposed, and the change in the law is an excuse rather than a reason for their unfavorable decision.

It is a long story, and as I expect to see you soon I will not now attempt to state the matter any more fully.

Yours truly,

P. S.: Another newspaper clipping, which I will inclose, shows the attitude of Pacific coast shippers toward these rates. They have asked the commission to suspend the tariff, but the commission is not likely to withhold such an important and popular reduction of rates.

Mr. LA FOLLETTE. Mr. President—

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Montana yield to the Senator from Wisconsin?

Mr. WHEELER. I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Blease	Gooding	Moses	Smoot
Borah	Hale	Neely	Stanfield
Brookhart	Hefflin	Norris	Stephens
Broussard	Howell	Nye	Swanson
Bruce	Jones, N. Mex.	Oddie	Trammell
Cameron	Jones, Wash.	Overman	Tyson
Capper	Kendrick	Philpotts	Wadsworth
Copeland	Keyes	Phin	Walsh
Fess	King	Ransdell	Watson
Fletcher	La Follette	Reed, Mo.	Wheeler
Frazier	McLean	Reed, Pa.	Willis
George	McNary	Robinson, Ind.	
Glass	Mayfield	Sheppard	
Goff	Means	Simmons	

Mr. REED of Missouri. I desire to announce that my colleague [Mr. WILLIAMS] has been called from the city on official business.

Mr. HEFLIN. I desire to announce that the Senator from Illinois [Mr. DENEEN] and the Senator from Kentucky [Mr. SACKETT] are detained from the Senate in a meeting of the joint committee considering the Muscle Shoals matter.

Mr. OVERMAN. I desire to announce that the Senator from Iowa [Mr. CUMMINS] is detained from the Senate in a meeting of the Judiciary Committee.

The VICE PRESIDENT. Fifty-three Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, I had just concluded showing how some of the presidents of the railroads themselves, in their private correspondence, said that they could put in a lower rate to the intermountain country than to the coast ports. Now, in view of the fact that it was stated that the lumber interests of the West were all against this bill, I desire to call attention to the reason why they are against it and to show that they have received at the hands of the railroads some special favors and were promised protection by the railroads before they would agree to protest against the bill.

I desire to call attention to a letter from the Western Pine Manufacturers' Association to Mr. Lounsbury, dated May 29, 1923:

Mr. H. E. LOUNSBURY,
General Freight Agent,
Oregon-Washington Railroad & Navigation Co.,
Portland, Oreg.

DEAR SIR: Acknowledging your letter of the 26th, regarding the proposed fourth-section application and the conference of the Intermountain Rate Association at Salt Lake.

I am, of course, very familiar with the entire controversy, as all of our mills are located in the intermountain territory, and the topic has been a live one in that territory over this ever since I can remember. Our lumber industry has been neutral on this question, thus allowing to a certain extent the jobbers to dictate the policy of the lumber producer, which has to a certain degree affected us through the medium of a car supply and from the standpoint of carriers' net revenue, and these questions are more than a passing interest to us.

I have been making some effort during the past years to acquaint our membership fully of the situation, and unquestionably there are a great many of them that commence to see the effect in the same manner I do. In conversation with them they bring up the question of fourth-section relief, or a violation on eastbound lumber traffic, and inasmuch as our differential under the coast seems to be the only thing that hinders us from taking an active part at the present time, I should like to ask you to give me definite assurance the differentials established in the Potlatch case and modified through the increases and decreases will be maintained in general by the carriers for the future, and that you will assist us all possible in retaining this differential. With such assurance, I am convinced I can go to our mills and enlist their active aid; at least I am willing to try it.

I am sending a copy of these communications to Mr. Coman, Mr. Costello, and Mr. Velch, and would thank you gentlemen to keep this confidential and give me your assurance if you can at the earliest possible date, so we may take positive action.

Yours very truly,

WESTERN PINE MANUFACTURERS' ASSOCIATION,
R. J. KNOTT, Traffic Manager.

The communications to other railroad officials to which he referred as being inclosed are as follows:

WESTERN PINE MANUFACTURERS' ASSOCIATION,
Portland, Oreg., August 7, 1923.

W. D. SKINNER,
Traffic Manager S. P. & S. Ry. Co., City.

Mr. J. R. VEITCH,
Assistant Traffic Manager O. M. & St. P. Ry. Co., Seattle, Wash.

W. E. COMAN,
Western Traffic Manager Northern Pacific Railway, Seattle, Wash.

M. J. COSTELLO,
Western Traffic Manager Great Northern Railway Co., Seattle, Wash.

H. E. LOUNSBURY,
General Freight Agent O. W. R. & N. Lines, Portland, Oreg.

GENTLEMEN: With reference to your communication of the 18th, signed jointly, regarding our activities in connection with fourth-section relief which the carriers are seeking.

I brought this matter up at our meeting at Coeur d'Alene on the 1st, which was prior to the time that I received your letter, and gave our members a thorough analysis of the situation. The Spokane Daily Chronicle on August 1 had a fairly accurate write up on this, and I am inclosing the same.

Our members realized as well as we do that we were asking quite a great deal of them, and they therefore wanted to consider the matter a little further through the appointment of a committee, which was done, and unquestionably a good impression has been made and something favorable may develop. You may rest assured that I will keep after this and give you all the assistance I can, and I shall advise you of any further developments.

In the meantime it might be well to outline a program which we should follow so that we will be able to act in cooperation with you whenever necessary.

Very truly yours,

WESTERN PINE MANUFACTURERS' ASSOCIATION,
R. J. KNOTT, Traffic Manager.

It will be noted that the Western Pine Association is perfectly willing to assist the railroads providing the railroads protect them in the matter.

The next is a letter of J. R. Velch, of the St. Paul Railroad, to R. J. Knott. This letter was also signed by representatives of all the other roads. It is a very diplomatic promise to protect the pine manufacturers in the event they do not join with the rest of the shippers or if they will join with the railroads against the shippers.

Mr. R. J. KNOTT,

*Traffic Manager Western Pine Manufacturers' Association,
519-571 Yeon Building, City.*

DEAR SIR: Referring to your file 147 of May 23, with reference to proposed fourth-section application to be submitted by the transcontinental lines to the Interstate Commerce Commission.

As Mr. Lounsbury explained to you in his letter of May 26, the granting of the carriers' application would undoubtedly enable the carriers to secure at eastern points a considerable tonnage of heavy westbound traffic that would bring from the East cars under load that, when made empty, could be used by the industries in the Pacific Northwest for eastbound loading; therefore the carriers' fourth-section application becomes of vital importance to the lumber industry of the Pacific Northwest, as they are particularly interested in the matter of equipment.

The preponderance of tonnage from this territory is eastbound, and while the carriers have in their discretion disposition of such empty equipment as may be on their rails, it is impossible to enforce delivery of empty cars to the transcontinental lines from eastern connections, and when business is brisk either in western trunk-line territory or east thereof, it is impossible to draw empty cars from those districts, whereas if the transcontinental lines were able to secure a reasonable share of the traffic originating east of the Missouri River and Chicago, every car so loaded in the territory beyond our rails would be additional equipment for the lumbermen and other producers of eastbound commodities that could not otherwise be secured.

Without the westbound traffic the carriers would be absolutely unable to furnish equipment necessary to take care of the eastbound traffic, especially when the westbound movement is such that to every two cars moving east one has to be hauled empty westbound over the entire transcontinental lines.

With reference to the carriers giving the members of your association definite assurance that the existing differentials on pine lumber under the coast group would be maintained, will say that matter is not now being considered by the carriers, nor did they have in mind undertaking any revision in the existing situation. Nothing, however, in the way of readjustment of these differentials would or could be undertaken without full recognition of and conference with the lumber interests.

Your letter is indicative of your complete knowledge of the carriers' position with respect to their fourth-section application, and we feel confident that in view of your vital interest in the success of our application, particularly from an equipment standpoint, that you will cooperate with the carriers by enlisting the support of the members of your association.

Yours truly,

J. R. VEITCH,
*Assistant Traffic Manager Chicago,
Milwaukee & St. Paul Railway.*

Next is a letter from J. R. Veitch, assistant traffic manager, to H. E. Pierpont:

SEATTLE, WASH., August 20, 1923.

Mr. H. E. PIERPONT,
Traffic Manager, Chicago:

You probably will be interested in noting attached copy of letter from Mr. R. J. Knott, traffic manager of the Western Pine Manufacturers' Association, to Mr. Lounsbury. Matter was taken up with other lines and a joint reply addressed to Mr. Knott, copy of which I am also inclosing.

The subject came up at a meeting of the Western Pine Manufacturers' Association held in Spokane the early part of this month, and I am inclosing copy of an article carried in the Spokane Daily Chronicle of August 1.

Mr. Knott has explained that their members realize that we are asking quite a good deal of them, and therefore wanted time to consider the matter a little further through the appointment of a committee, and he feels that a good impression has been made and something favorable may develop.

I believe Mr. Knott is fully committed to the principle and had assured us that he will give all the assistance he can. Unquestionably it would go a long way toward influencing the commission if we can get the inland empire lumber interests to line up with the carriers in support of our fourth-section application.

J. R. VEITCH, *Assistant Traffic Manager.*

In other words, they were willing to make a promise to the lumber manufacturers of the West, providing they could get their influence with the commission in favor of fourth-section violation.

Knott is asking that the railroads outline a program for them, and ever since that time he has been making speeches in favor of the railroads.

I might add that all of the lumbermen were not a part of this betrayal of the rest of the shippers, and most of the lumbermen in Montana refused to join with Mr. Knott.

It is apparent from the reading of this letter that Knott figured he could make a side deal and protect these favorable rates, and they are getting exceedingly favorable freight rates. Lumber shipments from the west to Chicago and Missouri River points earn the railroads about \$250 a car. Some finished lumber will go higher than that. The \$1 rate on steel and iron from Chicago west brings \$400 a car on minimum loadings of 40,000 pounds, but steel and iron frequently load to 80,000 pounds per car, and so bring as high as \$800 a car as compared with the \$250 for pine lumber.

The rate from Portland to Chicago on pine lumber, 2,221 miles, is 72 cents, minimum loadings 38,000 pounds. This brings \$273.60 a car and figures out 12.3 cents per car-mile and 6.48 mills per ton-mile.

The rate on pine lumber from Spokane to Omaha, 1,510 miles, is 59 cents per hundred, with minimum loadings at 38,000 pounds. This earns \$224.20 per car and gives 14.8 cents per car-mile and 7.81 mills per ton-mile.

The rate on wheat from Boise to Chicago, 1,811 miles, is 65½ cents per hundred. This would earn about 7.24 mills per ton-mile.

The rate on wheat from Pocatello, Idaho, to Chicago is 63½ cents per hundred and earns 8.21 mills per ton-mile.

The rate on potatoes from Boise to Chicago, 1,811 miles, is 82 cents per hundred and earns 10 mills per ton-mile.

The rate on dry goods from Chicago to Pocatello, 1,546 miles, is \$1.58 per hundred, 30,000-pound loadings. This brings \$474 per car and earns 30.6 cents per car-mile and 20.4 mills per ton-mile.

The railroads are at the present time trying to make much of the argument that the long-and-short-haul violations will help their empty-car movement. They point out that they have quite an empty-car movement, that the preponderance of empty movement on the northern lines is westbound, and that with these discriminations against the intermountain country they could throw a little freight into their westbound empties and help out that situation.

It is apparent from the reading of the hearings before the Interstate Commerce Commission that the empty-car movement is a comparatively new argument advanced for the railroads, and I believe for the first time, in the case now pending before the Interstate Commerce Commission.

On July 10, 1923, before the railroads had apparently thought of this argument, Mr. M. L. Countryman, vice president and general counsel of the Great Northern, in a letter to the editor of the *Spokesman Review*, said:

As far back as the records extend conditions have been practically the same as at present; that is, it has always been necessary to haul empty cars westbound to take care of the eastbound loadings. Canal competition has not materially changed the situation in that regard. The fact is that our eastbound tonnage has been about double our westbound tonnage during a long series of years.

The preponderance of empty movement over the northern lines is westbound, but over the Santa Fe it is eastbound. How is fourth-section relief westbound going to cure the empty-car movement in both directions?

Also the empty movement is largely refrigerator cars, though there is also some empty movement for lumber, too. But the great majority of it is refrigerators. This is a seasonal business and a condition all roads have to reckon with. The New England roads haul practically all their refrigerators back out of New England empty. There is a tremendous empty refrigerator movement westbound out of New England.

The big call for empties is in the interior, at points like Missoula, Spokane, Yakima, Billings, and other interior points. The call is not for empties on the coast. These preferential rates proposed by the railroads are all in favor of the coast, and if they had any effect, and I do not think they will, it would take the cars through to the coast instead of dropping them at interior points where they are needed.

It must be apparent to anyone in the interior from the foregoing facts that if the railroads are so anxious to meet the competition of the boats passing through the Panama Canal that they want to give a lower rate to the coast, that they can also afford to give a lower rate to the intermountain country, and that they will do so. It is obvious, if they take traffic away from the boats in one direction, they will also have to take in the other direction. The boats have to haul traffic both ways. If they put the boats out of business, as they would like to do, the railroads will have to handle the eastbound tonnage that is now carried by these boats, as well as their westbound tonnage, as the great preponderance of tonnage handled by the boats is eastbound, it will be easily seen that so far as the

empty car movement is concerned it would be only aggravation for the railroads if the boats were put out of business.

If the long-and-short-haul violations will solve the empty-car movement, then it should have been solved in 1913, because up until that time they had always discriminated against the interior.

The Interstate Commerce Commission keeps a record showing the percentage of loaded car-miles and percentages of empty car-miles on all railroads, and publishes these figures by roads and groups of roads.

These records show that in 1913 the percentage of empty car-miles was as follows:

	Per cent
Western district.....	29
United States.....	30

The western roads had 1 per cent less empty movement than the roads of the United States as a whole.

Then here are the same figures for 1922, 1924, and 1925:

Per cent empty car-miles by years

	1922	1924	1925
Northwestern district.....	32	33.7	33.8
Central-western district.....	32.5	34.6	34.8
Southwestern district.....	32.2	34.1	35.6
Entire western district.....	32.2	34.1	34.7
Entire United States.....	32.8	34.9	35.5

It will be noted from the figures above that the northwestern lines had a less empty-car movement than the western district as a whole, and that the western district as a whole was better off than the United States as a whole. It will also be noted that the relationship of the western roads to the United States is practically the same to-day as it was in 1913, so that the terminal rates for the last eight years do not appear to have aggravated the situation at all.

PANAMA CANAL TONNAGE

Much has been said about the business being taken from the railroads on account of the Panama Canal. The people of the intermountain section have been told that the railroads would have to raise their rates all along the line unless fourth-section violations should be allowed. The workers have been told it would mean much more work for them if fourth-section violations were allowed, as the railroads would get the large tonnage that is now going through the Panama Canal.

The Government of the United States spent millions of dollars on this canal and the people pay for it in taxes. It is the only Government-owned institution which is operating profitably and successfully from every standpoint, so successfully, in fact, that the railroads of this country would like to see it put out of business, and the Chicago business men who are advocating inland waterways have been before the committee asking that the railroads be permitted to have fourth-section violations in order that they may take what little business now goes through the Panama Canal and thereby injure the canal.

Is there anyone who believes if the Panama Canal was not in existence to-day that the railroads would be giving to the intermountain section and Pacific coast a rate of \$1 on steel?

The whole West is profiting by reason of the Panama Canal in the shape of lower freight rates on some products, at least.

Eliminating the tanker oil tonnage, which the railroads themselves admit is not competitive, the total intercoastal tonnage through the Panama Canal, both east and west bound, for the year 1924 was 5,321,793 tons. This is the intercoastal tonnage which the railroads are after. The figure does not include the foreign tonnage.

During the same year 1924 the class 1 roads of the western district had a tonnage of 627,754,000 tons of revenue freight, so that if the canal were closed and all this intercoastal tonnage were given to the western roads it would increase their gross tonnage eighty-three one-hundredths of 1 per cent.

The railroads claim this is not a fair comparison, because many of the class 1 roads do not reach Pacific coast tidewater, such as the Rock Island, Denver & Rio Grande, Chicago & North Western, and so forth, but of course these roads would surely share in any increased business.

However, eliminate all the roads that do not reach Pacific coast tidewater; also eliminate the Canadian Pacific; take just the nine roads on the American side that reach the Pacific coast, and their tonnage was 218,105,000 tons in 1924. So if the canal were closed and all of the intercoastal tonnage given exclusively to these roads, it would increase their tonnage by 2½ per cent.

As a matter of fact, the Panama Canal is developing tonnage for the railroads by helping build up industries on the

Pacific coast, all of which require rail service. Water transportation develops rail transportation, as General Ashburn showed in the case of the Monongahela River in Pennsylvania.

AGRICULTURE

The Senator from Illinois [Mr. McKINLEY], in a speech several days ago, referred to the farmers, and, attempting to speak for them, said the Gooding bill would hurt the farmers.

The farmers and farm organizations are able to speak for themselves and have spoken. The agricultural conference called by President Harding in January, 1922, passed a resolution opposing long-and-short-haul violations, and the National Farm Bureau Federation, in its national convention at Atlanta, Ga., November 21-23, 1921, passed a resolution saying:

We object to the carriers being granted the privilege of charging more for the short haul than for the long haul in rail freight rate charges.

The National Farmers' Union, in convention in December, 1925, passed resolutions indorsing the Gooding bill. Literally hundreds of farm organizations all over the country have taken similar action. The farmers are located in the interior and they are the ones penalized by discriminatory rates. They are interested in seeing the interior communities grow and develop to furnish them near-by home markets for their products.

In the Northwest one of our problems is to get the farmer to balance up his crop and not depend entirely on wheat. We want him to grow a few other products, and to have a little stock, so that if he happens to have a bad wheat year he will still have his bread basket filled till the next harvest.

Dr. W. J. Spillman, agricultural economist of the United States Department of Agriculture, made an exhaustive study of the farm problem in northern Idaho and eastern Washington with this thought in mind. At the conclusion of his study Doctor Spillman told the business men of Spokane that the one way to get the farmer to balance his crops was to build up Spokane by bringing in more factories and more industries; that the farmer must have a home market. He said that if the farmer was compelled to ship 2,000 miles to market, manifestly he must stay in the wheat business, which stands long transportation.

So it is the salvation of the farmer to have little industrial centers all over the interior country to furnish him a near-by market for his perishable crops. The average town in the interior West to-day is just a trading post, where the farmer can "bring his eggs and get his calico." The western farmer has no local market. Hence he must stay in the one-crop business, with all its perils and adversity.

So, Mr. President, in concluding let me repeat what I said at the outset, that the passage of this bill means a great deal to the little manufacturer of the West, to the jobber of the West, and to the farmer of the interior. I sincerely trust that the Members of the Senate who voted for a similar bill two years ago when it was pending here will not be stampeded by the campaign of misrepresentation which has been conducted by the railroads of the country and by the chambers of commerce which have sent their petitions in here.

If Congress is going to abdicate in favor of the chambers of commerce when they have made no study concerning any of these problems, and if we are going to follow their judgment upon these great questions instead of basing our judgment upon the facts, we must expect that newspapers, such as the Washington Post, will refer to us as "the demagogues on the Hill."

Mr. GOODING. I ask unanimous consent that Senate bill 575, being the unfinished business, be temporarily laid aside.

The VICE PRESIDENT. In the absence of objection, it will be so ordered, and the Chair lays before the Senate the pending appropriation bill.

INDEPENDENT OFFICES APPROPRIATION BILL

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes.

Mr. SMOOT. I ask that the pending bill may be temporarily laid aside.

The VICE PRESIDENT. Without objection, it is so ordered.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. I now ask unanimous consent that the Senate proceed to the consideration of House bill 6707, being the Interior Department appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6707) making

appropriations for the Department of the Interior for the fiscal year ending June 30, 1927, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. I ask that the formal reading of the bill be dispensed with; that the bill be read for amendment, committee amendments to be first considered.

The VICE PRESIDENT. Without objection, it will be so ordered.

Mr. JONES of Washington. Mr. President, there are one or two Senators who had to leave the Chamber for a while who asked me, if this bill should be called up before they returned, to suggest the absence of a quorum. I now suggest the absence of a quorum, so that the Senators who are absent may return to the Chamber.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Blease	Glass	McLean	Schall
Borah	Goff	McNary	Sheppard
Brookhart	Gooding	Mayfield	Simmons
Broussard	Hale	Menas	Smoot
Bruce	Harrell	Moses	Stanfield
Cameron	Harrison	Neely	Swanson
Capper	Hedlin	Norris	Trammell
Copeland	Hovell	Nye	Tyson
Dale	Johnson	Oddie	Wadsworth
Denson	Jones, N. Mex.	Philpotts	Walsh
Edge	Jones, Wash.	Pine	Watson
Fernald	Kendrick	Ransdell	Wheeler
Fess	Keyes	Reed, Mo.	Wills
Frazier	King	Reed, Pa.	
George	La Follette	Robinson, Ind.	
Gillett	Lenroot	Sackett	

Mr. REED of Missouri. I desire to announce that my colleague [Mr. WILLIAMS] has been called from the city on official business.

The VICE PRESIDENT. Sixty-one Senators having answered to their names, a quorum is present. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Office of the Secretary, salaries," on page 2, line 12, after the word "grade," to insert "except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year, and then only to the next higher rate," so as to read:

Secretary of the Interior, \$15,000; First Assistant Secretary, Assistant Secretary, and other personal services in the District of Columbia in accordance with "the classification act of 1923," \$318,000; in all, \$333,000: *Provided*, That in expending appropriations or portions of appropriations contained in this act, for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year, and then only to the next higher rate.

Mr. KING. Mr. President, in all of the appropriation bills thus far reported a provision similar to that just read by the clerk is to be found. In view of the fact that we passed the reclassification act, which it was expected would care for all grades of employees and fix their compensation, it seems to me that there ought not to be any reason for the exception to which I have referred. I ask the Senator from Utah, my colleague, where these exceptions are to be found, to what extent they modify existing law, and approximately what amount of additional compensation in the aggregate will have to be met from the Treasury of the United States?

Mr. SMOOT. Mr. President, under the reclassification act wherever there was a division or bureau with one person in it falling within the grade provided for by the classification act—and those grades apply only to salaries between \$4,000 and \$7,500—they would have taken, under the classification act, an annual increase; but under a provision which has been enacted into law ever since the classification act passed, where there is one person in a grade under the classification act he can not receive any more salary than the average of the whole five or six grades classified amounts to.

Mr. KING. Below it?

Mr. SMOOT. No; above and below. For instance, if you take salaries of \$4,500 and \$7,500, the average of the low and the high is \$6,000; so that at no time and under no conditions could anybody in such a position be paid more than \$6,000. That provision has been in operation now for two or three years, and it has had a very, very bad effect upon the departments. The very best talent they had have left the service because of the fact that they were drawing \$7,500 a year before and under the provision of the law they could draw only \$6,000, and therefore they were decreased in salary \$1,500.

This amendment says that only one person in that grade can be increased, and he can not be increased more than one grade a year. In other words, if there is one person drawing \$5,000 a year, he can only be increased to the next grade, which would be \$5,500, and then to the next grade, \$6,000, and so on up to the end of the fifth year, when he would be able to secure the \$7,500; and in some cases that is what they were receiving before the passage of the classification act.

The law, when it first passed, affected some ninety-odd employees in the Government service. Of course, this amendment will not affect that many; but it does give a chance for a man who is the only man within the grade to receive the advances, just exactly the same as any other employee in the Government service, and no faster nor to any greater extent. That is the object of the amendment, and I will say to my colleague that it has been placed in all of the appropriation bills, as he says, up to date; and I think, Mr. President, it is the only fair thing to do.

Mr. KING. I would like to ask my colleague if the construction which is placed now upon this language gives to one within each grade, whether it is a lower or a higher, a chance to have the advancement to which my colleague has referred?

Mr. SMOOT. No; it applies to only one person. It applies only where there is one person within the classified service, no matter how many grades there may be. If there is only one in the whole classified division, then that applies to him. If there is more than one, it does not apply at all. The original provision did not apply to a case where there was more than one.

Mr. KING. Let us take the Interior Department appropriation bill, which we have before us. If in any particular bureau or agency of the Government belonging to the Interior Department there is a grade, then in that grade there could be only one who would come within the provisions of this amendment?

Mr. SMOOT. Yes. Referring to the Land Office, to which the Senator has just directed attention, this is the situation: Under the classification act the Commissioner of the Land Office was given \$7,500. But the provision in the appropriation bill prevented the payment of that salary, because there were five grades, as I have already stated, and the salary of the Commissioner of the Land Office was brought down from \$7,500, to which he was entitled under the classification act, to \$6,000. This would mean that in that case he would start with the \$6,000, the next year, within a year, he can get \$6,500, the next year \$7,000 and the next year \$7,500. Then he is at the top of the classification. That is what the amendment would result in.

Mr. KING. Taking the Agricultural Department, they have a large number of classifications. They have scientists, and, if I may say so, a good many pseudoscientists, in my judgment. Did the provision in the agricultural bill grant to each of those scientists who headed a particular class or division or agency a chance to increase his compensation?

Mr. SMOOT. It did; that is, wherever it was a bureau or division. I think most of the cases are found in the Department of Commerce, and that is where we have had the worst trouble. We have lost some of our very best men in that department, and, of course, we could hardly blame them for leaving. This is to rectify that situation.

Mr. KING. I will say to my colleague that my experience since I have been in Congress, in the Senate and in the House, for 13 years, is that when they resign they come trooping back. They find that a permanent job, intrenched in civil service, with the few hours of work and the retirement privileges, 30 days' sick leave, and 30 days' annual leave, are very great inducements, and scarcely a week goes by that I do not have from one to a dozen applications from individuals who have left the service to try to secure their reinstatement, even at lower salaries. So I do not think we need worry so much about the men leaving the service. They will gravitate back very quickly.

Mr. SMOOT. I think that is the case generally, but I do know that in the Department of Commerce they have lost some of their best men, and those men I know are to-day draw-

ing twice the salaries they were getting when they left. But, generally speaking, I agree with what my colleague has said.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 2, line 12.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent Expenses, Department of the Interior," on page 4, line 12, before the word "shall," to strike out "\$79,100" and insert "\$79,500"; and in line 17, after the name "Freedmen's Hospital," to strike out "\$600" and insert "\$1,000," so as to read:

For contingent expenses of the office of the Secretary and the bureaus and offices of the department; furniture, carpets, ice, lumber, hardware, dry goods, advertising, telegraphing, telephone service, street-car fares for use of messengers not exceeding \$150, expressage, diagrams, awnings, filing and labor-saving devices; constructing model and other cases and furniture; postage stamps to prepay postage on matter addressed to Postal Union countries and for special-delivery and air mail stamps for use in the United States; traveling expenses, fuel and light, typewriting and labor-saving machines; examination of estimates for appropriations in the field for any bureau, office, or service of the department; not exceeding \$500 shall be available for the payment of damages caused to private property by department motor vehicles; purchase and exchange of motor trucks, motor cycles, and bicycles, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles and motor trucks, motor cycles, and bicycles, to be used only for official purposes; rent of department garage; expense of taking testimony and preparing the same, in connection with disbarment proceedings instituted against persons charged with improper practices before the department, its bureaus and offices; not exceeding \$500 for newspapers, for which payment may be made in advance; stationery, including tags, labels, index cards, cloth-lined wrappers, and specimen bags, printed in the course of manufacture, and such printed envelopes as are not supplied under contracts made by the Postmaster General, for the department and its several bureaus and offices, and other absolutely necessary expenses not hereinbefore provided for, \$107,000; and, in addition thereto, sums amounting to \$79,500 shall be deducted from other appropriations made for the fiscal year 1927, as follows: Surveying public lands, \$3,500; protecting public lands and timber, \$2,000; contingent expenses local land offices, \$3,500; Geological Survey, \$5,500; Indian Service, \$38,000; Freedmen's Hospital, \$1,000; St. Elizabeths Hospital, \$3,000; National Park Service, \$5,000; Bureau of Reclamation, \$18,000, any unexpended portion of which shall revert and be credited to the reclamation fund; and said sums so deducted shall be credited to and constitute, together with the first-named sum of \$107,000, the total appropriation for contingent expenses for the department and its several bureaus and offices for the fiscal year 1927.

The amendment was agreed to.

The next amendment was, under the subhead "Printing and binding," on page 6, at the end of line 11, to strike out "\$118,000" and insert "\$123,000," so as to make the paragraph read:

For printing and binding for the Department of the Interior, including all of its bureaus, offices, institutions, and services in Washington, D. C., and elsewhere, except the Alaska Railroad, the National Park Service, and the Geological Survey, \$123,000.

The amendment was agreed to.

Mr. KING. Mr. President, technically I should not interrupt the proceedings at this point, but it will save recurring to the item. I find an appropriation on lines 12 to 15, page 6, "For the Alaska Railroad not to exceed \$6,500 of the amount appropriated herein for maintenance and operation of railroads in Alaska," and so forth. I want to ask my colleague whether it is the purpose of the Government to continue the unwise experiment which was inaugurated a number of years ago of the Government operating a railroad in Alaska?

We have spent millions of dollars in the construction of this railroad. I regard the greater part of it, if not all, as wasted. The returns, the last time I saw any presented, showed that the receipts were less than the expenses. The operation of the railroad has drawn heavily upon the Federal Treasury, and if the Government continues to run the road it will have an annual deficit to meet. Is it the policy of the Department of the Interior and of this administration to continue that unwise experiment?

Mr. SMOOT. In this bill my colleague will find, on pages 112 and 113, the annual appropriation for the Alaska Railroad. There is an authorization to be reimbursed of \$1,700,000, "in addition to all amounts received by the Alaska Railroad during the fiscal year 1927, to continue available until expended." And it is provided—

That \$500,000 of such fund shall be available only for such capital expenditures as are chargeable to capital account under accounting regulations prescribed by the Interstate Commerce Commission, which amount shall be available immediately.

Out of this appropriation they are going to try to maintain a railroad in Alaska. If the Senator will look back at the appropriations he will find that the appropriation for this purpose is getting lower every year. I do not know when the railroad will be self-sustaining. They keep saying that in the near future they are going to have the railroad in such shape that it will not require such an expenditure of money as it has in the past, but there is an appropriation in this bill for the Alaska Railroad, and if I were inclined to express an opinion it would be that there will be a deficit in maintaining the railroad in Alaska for many, many years to come.

There has been a new gold discovery in Alaska, with people flocking there by the thousands, and it is hoped the gold field will prove permanent and that the population of Alaska will increase.

I think there has been some improvement in the management of the railroad in Alaska, but no matter how well it is managed, no matter how much money the United States Government spends on it, the travel is not there to pay for maintaining it. I do not see how it is possible to develop Alaska and to induce the people who are there to remain there without the railroad. So we can make up our minds, it seems to me, that in the future we will have to make up a deficit for maintaining that railroad in Alaska.

Mr. KING. With my present view, I shall, before the bill is disposed of, offer an amendment directing the President of the United States to dispose of the Alaskan Railroad, or at least authorizing and directing him to appoint a commission for the purpose of investigating its operations and obtaining bids from private persons who might desire to acquire it, and requiring the President to make full report to Congress when it meets in December, as to his proceedings under the terms of the proposed amendment.

Mr. President, I believe that the action of the Government in constructing a railroad in Alaska was injudicious and unwise. Many million dollars have been spent in its construction and operation with but slight benefit to the people of Alaska. I have believed, if private capital had been permitted to develop the mineral resources of Alaska, without the hampering restrictions of the Government, that the development of that far-off land would have been much greater and needed railroads would have been constructed. It is a matter of common knowledge that the interpretation placed by the Interior Department upon the mineral laws relating to Alaska, as well as the legislation itself, has prevented active prospecting for the discovery of minerals and constituted impediments to the development of the mineral resources of the Territory.

It was claimed by the proponents of the legislation that it would multiply the population and bring great prosperity to the territory and its people. The reverse has been the result. The more the Government has interfered in the economic, civil, and governmental affairs of Alaska, the greater has been the decline in population, in wealth, and in development.

The Government is an oppressive landlord, and its touch paralyzes activity and destroys progress. The Government has not only lost the capital which it has invested but it is called upon annually to make large appropriations to meet deficits in its operation. My colleague has called attention to the possible increase in Alaska's population. There is nothing in the conditions there now which justify any predictions of any immediate increase either in the population of Alaska or in its material development. There were more people in Alaska 25 years ago than there are to-day, and its population has decreased during the past five years. Two decades ago there were perhaps two and one-half to three times as many people residing in Alaska than can now be found there. There were more schools then than now. There was more wealth then than now. It seems as though every effort made by the Government to stimulate production in the Territory, to develop its resources, and to improve its condition has only contributed to its deterioration. There is nothing in the mineral situation to-day which promises enlarged mineral output, and the fishing industry has suffered a very great decline during the past 10 or 15 years. Indeed, unless heroic steps are taken, this great industry along the greater part of the Alaskan coast will be absolutely destroyed.

The policy pursued by the Government in dealing with this important industry has been not only unwise but reprehensible. It ignored the rights of the hundreds of fishermen who made their living in fishing in the sections of the coastal waters where salmon were to be found, and pursued a policy which gave to the great fish-canning interests a monopoly of the industry. These monopolistic canning companies, by reason of their cupidity have, as I have stated, destroyed the fish in some of the most important places which for years yielded enormous quantities of salmon for the use of the people.

Mr. President, Alaska doubtless has undeveloped resources, but there is nothing in the situation as it now exists to justify the Government in making these annual appropriations to operate the railroad which it constructed.

The reading of the bill was resumed and continued to page 16, line 3.

Mr. KING. We have passed page 8, but I invite the attention of the committee to the item on line 19 of that page, appropriating \$800,000. My colleague knows that in a number of the Western States the appropriations made for the survey of the public lands have been inadequate, as a result of which many persons who have gone upon the public domain have been unable to acquire title to the lands which they occupy. So far as the records show, these lands are still a part of the public domain, notwithstanding they have been occupied and improved by persons who have sought to obtain legal title.

Mr. SMOOT. If my colleague will notice the report made by the committee, he will see that I am authorized to make an amendment to that item of \$800,000—

Mr. KING. On page 8?

Mr. SMOOT. Yes; line 19, increasing it from \$800,000 to \$830,000.

Mr. KING. May I ask the senior Senator from Utah whether that will add to the amount necessary for the survey of the public lands in the State of Utah?

Mr. SMOOT. It will get its proportion of that amount. This is what the department asks for and what I was authorized to report. The reason it was not put in by the committee is that this has not been estimated for by the Budget.

Mr. KING. I shall not raise that question at all.

Mr. SMOOT. Therefore I ask the Senate to accept this, because all that my colleague has said in relation to the survey of the land is absolutely correct, and, if anything, we ought to have even more than this. But this is what they had last year.

Mr. KING. I suggest that my colleague offer the amendment now while we are on this item.

Mr. SMOOT. I have the amendments in order, and there are some more amendments to be offered.

Mr. ODDIE. I would like to ask the Senator from Utah a question regarding this item. Is it the intention to restore some of the men who have been removed from the land offices in the last year?

Mr. SMOOT. This will be used in the field for service. I do not know what men it refers to. Under the classification act the 70-year age limit is in operation. We have lost at least half a dozen men from the department who were the very best men we ever had in the department. They knew more about the business than any other men will learn in the next 20 years. But on account of the 70-year age limit they had to retire. Those men can not be reinstated. I understand the next proposition is to retire them at 62 years of age.

Mr. ODDIE. I was referring particularly to some consolidations that have been made of land offices in the West and the elimination of certain men employed in these offices.

Mr. SMOOT. That comes under the heading of "Registers of land offices." The item that we are discussing now is under the survey of public lands. I shall offer an amendment to give \$30,000 more than estimated for by the Budget because of the fact that we all know the first thing the Government ought to do is get the lands surveyed. This amount is the highest amount that has ever been appropriated in one year for the purpose.

Mr. ODDIE. Is there any change contemplated in another part of the bill looking to an increased appropriation for the State land offices?

Mr. SMOOT. No, there is no change in that respect.

Mr. ODDIE. In the Senate Public Lands Committee hearings all through the West last summer it was found that, principally because of the consolidation and the cutting down of the number of men in these land offices, their efficiency had been decreased very materially and an increase made in the cost to the citizens, who have been inconvenienced to a very great extent because of these changes.

Mr. SMOOT. All I can say is that the report now, taking all the land offices as a whole, is that the work is nearer up to date than at any time since I have been in the Senate. I was delighted to know that in view of the decrease in number. The way in which the work has been maintained is really remarkable. The surveying is another thing. That has to be done before the State can get title to the school lands and before the land can be disposed of to settlers under any form of land settlement law.

Mr. ODDIE. In reference to the matter to which I referred, I am convinced beyond any doubt that a great mistake was

made by the department in the eliminations that have been made in the last year in the number of land offices and in the cutting down of the forces.

Mr. SMOOT. The Senator means in the matter of receivers? Mr. ODDIE. Yes. It has resulted in a great decrease in efficiency.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Bureau of Indian Affairs, irrigation and drainage," on page 27, line 18, after the word "act," to strike out "the unexpended balance of the appropriation for this purpose for the fiscal year 1926 is reappropriated and made available for the fiscal year 1927: *Provided*, That no part of the money herein reappropriated shall be available in the fiscal years 1926 and 1927 for relocation of the railroad right of way," and insert "\$450,000: *Provided*, That the unexpended balance of the appropriation of \$450,000 for the fiscal year 1926 shall remain available for the fiscal year 1927: *Provided further*, That no part of the money made available herein shall be used in the fiscal years 1926 or 1927 for relocation of the railroad right of way," so as to make the paragraph read:

For construction of the Coolidge Dam across the Canyon of the Gila River near San Carlos, Ariz., as authorized by the act of June 7, 1924 (43 Stat. L. pp. 475 and 476), and under the terms and conditions of, and reimbursable as provided in, said act, \$450,000: *Provided*, That the unexpended balance of the appropriation of \$450,000 for the fiscal year 1926 shall remain available for the fiscal year 1927: *Provided further*, That no part of the money made available herein shall be used in the fiscal years 1926 or 1927 for relocation of the railroad right of way.

The amendment was agreed to.

Mr. KING. I would like to ask my colleague with reference to the item on page 30, line 25, \$575,000 for irrigation systems. Is that a reclamation project or one which is for the Indians alone, to be paid out of the tribal funds?

Mr. SMOOT. It is an Indian reclamation project entirely. The projects under the Reclamation Bureau come later in the bill. This is purely an Indian-reservation project.

Mr. KING. Does the Senator think it calls for such a large appropriation?

Mr. SMOOT. Yes; I am quite sure that it does.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 31, line 25, after the word "provided," to insert "and not otherwise"; on page 32, line 13, after the word "individual," to strike out "owning" and insert "for," and in line 20, before the word "years," to strike out "two" and insert "five," so as to read:

Provided further, That no part of this appropriation, except the \$15,000 herein made immediately available, shall be expended on construction work until an appropriate repayment contract, in form approved by the Secretary of the Interior, shall have been properly executed by a district or districts organized under State law embracing the lands irrigable under the project, except trust patent Indian lands, which contract, among other things, shall require repayment of all construction costs heretofore or hereafter incurred on behalf of such lands, with provision that the total construction cost on the Camas Division in excess of the amount it would be if based on the per acre construction cost of the Mission Valley Division of the project, shall be held and treated as a deferred obligation to be liquidated as hereinafter provided and not otherwise. Such contract shall require that the net revenues derived from the operation of the power plant herein appropriated for shall be used to reimburse the United States in the following order: First, to liquidate the cost of the power development; second, to liquidate payment of the deferred obligation on the Camas Division; third, to liquidate construction cost on an equal per acre basis on each acre of irrigable land within the entire project; and fourth, to liquidate operation and maintenance costs within the entire project. Provision shall also be contained therein requiring payment of operation and maintenance charges annually in advance of each irrigation season and prohibit the granting of a water right to or the use of water by any individual for more than 160 acres of land irrigable under constructed works within the project after the Secretary of the Interior shall have issued public notice in accordance with the act of May 18, 1916 (39 Stat. L. pp. 123-130); all lands, except lands owned by individual Indians, at the date of public notice in excess of 160 acres not disposed of by bona fide sale within five years after said public notice shall be conveyed in fee to the United States free of encumbrance to again become a part of the public domain under contract between the United States and the individual owners at the appraised price fixed at the instance of the Secretary of the Interior, such amount to be credited in reduction of the construction charge against the land within the project retained by such owner. All lands so conveyed to the United States shall be subject to disposition by

the Secretary of the Interior in farm units at the appraised price, to which shall be added such amount as may be necessary to cover any accruals against the land and other costs arising from conditions and requirements prescribed by said Secretary:

The amendment was agreed to.

The next amendment was, on page 33, line 24, after the word "lien," to strike out the colon and the following additional proviso:

Provided further, That pending the issuance of public notice the construction assessment shall be at the same rate heretofore fixed by the Secretary of the Interior, but upon issuance of public notice the assessment rate shall be 2½ per cent per acre, payable annually, in addition to the net revenues derived from operations of the power plant as heretofore provided, of the total unpaid construction costs at the date of said public notice: *Provided further*, That the public notice above referred to shall be issued by the Secretary of the Interior upon completion of the construction of the power plant.

The amendment was agreed to.

The next amendment was, on page 42, after line 8, to insert:

For remodeling, repairing, and improving the Pawnee Indian School plant, Pawnee, Okla., \$22,000.

The amendment was agreed to.

The next amendment was, on page 43, line 11, after the word "purchase," to strike out "of approximately 20 acres," so as to read:

Sherman Institute, Riverside, Calif.: For 950 pupils, including not to exceed \$1,000 for printing and issuing school paper, \$213,750; for pay of superintendent, drayage, and general repairs and improvements, and for purchase of land adjacent to the school gardens, \$35,000.

The amendment was agreed to.

Mr. McNARY. Mr. President, I appreciate the order to first consider committee amendments, but I wish to apprise the chairman of the committee, with reference to the Haskell Institute item on page 43, that the junior Senator from Kansas [Mr. CAPPER], who is absent from the Chamber, attending a hearing before the Committee on the District of Columbia, desires to offer an amendment to it.

Mr. SMOOT. Yes; the Senator notified me that he wanted to offer an amendment to that item, and I have it in mind.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 44, line 9, before the word "pupils," to strike out "450" and insert "500," and in the same line, after the word "pupils," to strike out "\$101,250" and insert "\$112,500," so as to make the paragraph read:

Genoa, Nebr.: For 500 pupils, \$112,500; for pay of superintendent, drayage, and general repairs and improvements, \$15,000.

The amendment was agreed to.

The next amendment was, on page 46, line 1, after the figures "\$9,000," to insert a colon and the following proviso:

Provided, That funds remaining to the credit of the Cherokee Tribe or Nation, on June 30, 1926, not to exceed \$3,000, may be used in purchasing additional lands adjacent to and for the Sequoyah Orphan Training School near Tahlequah, Okla., and, in addition, to other available funds, for the repairing, remodeling, converting, and equipping of the building formerly used for a primary schoolroom into a dormitory, for the benefit of said school.

The amendment was agreed to.

The next amendment was, on page 47, line 16, after the word "exceed," to strike out "\$3,000,000" and insert "\$3,033,750," so as to read:

In all, for the above-named boarding schools, not to exceed \$3,033,750.

The amendment was agreed to.

The next amendment was, under the subhead "Relief of distress and conservation of health," on page 50, line 1, after the word "sanatoria," to strike out "\$756,000" and insert "\$772,750," so as to read:

For the relief and care of destitute Indians not otherwise provided for, and for the prevention and treatment of tuberculosis, trachoma, smallpox, and other contagious and infectious diseases, including transportation of patients to and from hospitals and sanatoria, \$772,750, of which sum not less than \$20,000 shall be used for the employment of field or public health nurses.

Mr. KING. I would like to ask in regard to the item of \$850,000, on page 52, for general support and civilization of Indians. It seems to me entirely too general, particularly in view of the large sums carried in the preceding paragraph for an apparently similar object. Most of the numerous items which have been passed over in the bill, treating of education and hospitalization, the construction of dams, and the erection

of buildings, relate to the general support and civilization of the Indians. Notwithstanding the large sums carried in the various items to which I have called attention, we find now a sort of omnium gatherum clause of \$850,000 for the general support and civilization of Indians, "including pay of employees." I venture the assertion that the pay of employees will consume a very large part of the \$850,000. I inquire for information before I indulge in further remarks as to the items which go to make up this large sum.

Mr. SMOOT. I can read them to the Senator. I will say that in past appropriation bills each one of the items has been stated separately. This amount includes the following:

For general support and civilization of Indians, including pay of employees, in not to exceed the following amounts, respectively:
In Arizona, \$200,000.

Mr. KING. How much of that is pay of employees?

Mr. SMOOT. I will give a detailed statement in just a moment.

In California, \$55,000.

Seminole Indians of Florida, \$15,000.

Fort Hall Reservation, Idaho, \$18,000.

Full-blood Choctaw Indians of Mississippi, \$10,500.

Fort Belknap Agency, Mont., \$20,000.

Flathead Agency, Mont., \$14,000.

Fort Peck Agency, Mont., \$30,000.

Blackfeet Agency, Mont., \$76,000.

Rocky Boy Band of Chippewas and other indigent and homeless Indians in Montana, \$6,860.

In Nevada, \$25,000.

In New Mexico, \$180,000.

Sioux of Devils Lake, N. Dak., \$7,000.

Fort Berthold Agency, N. Dak., \$15,000.

Turtle Mountain Band of Chippewas, North Dakota, \$17,000.

Wichita and Affiliated Bands who have been collected on the reservations set apart for their use and occupation in Oklahoma, \$5,600.

For expenses of administration of the affairs of the Five Civilized Tribes, Oklahoma, and the compensation of employees, \$197,000: *Provided*, That a report shall be made to Congress on the first Monday of December, 1926, by the Superintendent for the Five Civilized Tribes through the Secretary of the Interior showing in detail the expenditure of all moneys appropriated by this provision.

Kansas and Kickapoo Indians of Oklahoma, \$4,000.

Ponca Indians of Oklahoma and Nebraska, \$8,000.

Grande Ronde and Siletz Agencies, Oreg., \$3,500.

Yankton Sioux, South Dakota, \$7,000.

In Utah, \$6,000.

In Washington, \$20,000.

In Wisconsin, \$12,800.

In all, not to exceed \$875,000.

Those are the segregated items that make the full amount of \$850,000. I will say to my colleague that I can not state the figure exactly, because in the Budget the items are scattered over three or four pages, but over 90 per cent of the appropriation is for field service.

Mr. KING. That is, for employees?

Mr. SMOOT. Of course, it provides for employees; but what I mean to say is that that includes all that is done for the Indians upon the reservations on which they are located.

Mr. WALSH. Mr. President, as the junior Senator from Utah [Mr. KING] made some inquiry about the appropriations for the Flathead Indian Reservation, which appears on pages 30 and 31, I feel impelled to say a word with respect to that item. The Senator inquired about the necessity for an appropriation as large as that carried in the bill of \$575,000. I desire to say, as I have frequently said, that the completion of that project has been delayed in the most disappointing way by reason of the inadequacy of the appropriations, so that, like many more of them, the overhead has run on to an extraordinary figure.

This appropriation, however, the Senator will notice, carries \$395,000 for the development of the power plant. I feel like saying, Mr. President, that that development was not asked by the representation from Montana. It contemplates the development of a water-power plant on the Flathead River emptying into Flathead Lake. It is a comparatively small development, which it is expected will be accomplished at a very low cost. It is a great power site, and it is expected that the development of that power will reduce the total cost of the construction of the project. I should say that last year the reservation was visited by Mr. CRAMTON, of the House of Representatives, who has exhibited a very commendable interest in these projects, and in consultation with the engineer on the project he conceived the idea that that would be of very general benefit. The item is in the bill here on his suggestion.

Mr. KING. Does the Senator from Montana think it is wise?
Mr. WALSH. I must confess that I have not sufficient information to form a very definite opinion about it. The justification is found in the hearings before the House committee, where both Mr. CREAMON and Mr. Moody, the project engineer, discussed the matter at very considerable length and apparently satisfied the House committee of the wisdom of the appropriation.

Mr. KING. Mr. President, I wish to make an observation with respect to the item of \$850,000. Several years ago, though I was not a member of the Indian Affairs Committee, there was brought to my attention a situation resulting from the dealings of the General Government with the Indians that excited my deep interest. I believed that the Indians were not being justly dealt with by the Government, and that certain States had derived benefits from the acquisition of lands which were owned by the Indians. My information was that Indian lands that were worth all the way from \$10 to several hundred dollars per acre because of their ore deposits, and particularly because of the timber upon them, were disposed of by the Government for an inconsiderable sum, in many instances not exceeding \$1.25 an acre. I felt that the Indians had been wronged—indeed, had been robbed in some cases—and that these valuable lands had passed into the hands of corporations and individuals who had made immense profits out of the same. I espoused the cause of the Indians and attempted to secure redress for them. In consequence of what little I did for the Indians many of them throughout the United States have communicated with me during the past few years protesting against the methods employed by the Indian Bureau and the United States in the administration of the important trust committed to their care. In my opinion, the Indians have been deprived of millions of acres of land without adequate compensation.

I have in my office now a petition, which if I had known this bill was coming before the Senate to-day I should have produced it here and offered it for the consideration of the Senate. It gives the views of a large number of Indians in the United States and protests against the procedure of the Indian Bureau and the Government in dealing with the Indians as individuals, within their tribal relations, and with the lands which are owned by them. The petition claims that much of the legislation of Congress has not protected their rights, and that radical and fundamental changes in handling the Indian problem should be adopted.

Mr. HARRELD. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. HARRELD. Does not the Senator think that is a good indication that the Indian race as such is making progress, that it is becoming self-conscious as a race. And does not the Senator think it is a good sign? Is not that a result of the fact that the young Indians are being graduated from colleges and are taking an active interest in their own affairs and is not that a good sign of their civilization?

Mr. KING. Mr. President, there are two answers to that. I am not certain just how beneficial the work of the Government has been. Of course, it has accomplished some good, but there are many who believe that the Indians would have been better off financially if the Government had been less paternalistic; and some persons think the policy adopted to educate and civilize the Indian has been faulty if not unwise.

Mr. HARRELD. I have reference to their activities in complaining as to the treatment which they have been accorded by the Government.

Mr. KING. I recall that when I was in the House years ago complaints were made by Indians, and I remember then seeing hundreds of Indians who had come from various parts of the United States, sometimes at their own expense, because the Government did not afford them means of transportation, to present their claims, and their protests against the treatment accorded them by the United States. From the pre-revolutionary days down to the present, I think the treatment of the Indians by the American people has often been cruel and reprehensible, indeed there have been in many cases most tragic results, and the Indians have cause to complain against the conquering race and some of the acts of the Government.

I am glad, however, if it be a fact—and no doubt my friend from Oklahoma speaks the truth—that there is being developed a consciousness among the Indians. Whether the situation results from educational advantages which some of the Indians enjoy or from other causes I do not pretend to say; but I think it is true that they are discovering their rights and are coming to Congress and insisting upon possessing their rights. I believe that the Senator from Oklahoma [Mr. HARRELD] has sought to ameliorate their condition, and I commend him for the service which he has performed in that respect.

However, I do protest, Mr. President, against the wrongs which have been inflicted and which still are being inflicted. In my judgment, upon the Indians in the United States or at least some of them. I think that Congress could do no greater service than to change in a radical and fundamental way its policy in dealing with the Indian question in its broad and in its limited features. I think there is much more that we ought to do and much more which we could do to promote the advancement and happiness of the Indians.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "General support and civilization," on page 56, line 19, after the name "Crow," to strike out "\$100,000" and insert "\$75,000"; and at the end of line 21 to strike out "\$171,000" and insert "\$156,000," so as to make the paragraph read:

Montana: Blackfeet, \$6,000; Crow, \$75,000; Flathead, \$40,000; Fort Belknap, \$20,000; Fort Peck, \$5,500; Tongue River, \$9,500; in all, \$156,000.

The amendment was agreed to.

The next amendment was, on page 58, line 3, after the figures "\$115,000," to strike out the colon and the words "Provided, That not exceeding \$35,000 may be used for improving the domestic water supply for the agency, boarding school, and irrigation service" and insert "of which amount \$35,000 shall be immediately available for improving the domestic water supply for the agency and irrigation service," so as to read:

Wyoming: Shoshone, \$115,000, of which amount \$35,000 shall be immediately available for improving the domestic water supply for the agency and irrigation service.

The amendment was agreed to.

The next amendment was, on page 58, at the end of line 9, to strike out "\$1,554,800" and insert "\$1,539,800," so as to read: "In all, not to exceed \$1,539,800."

The amendment was agreed to.

The next amendment was, on page 60, line 5, after the word "agency," to strike out "\$134,100, to be paid from the funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma," and to insert "\$149,100, of which \$15,000 shall be immediately available, to be paid from the funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma: *Provided*, That any employee of the Osage Agency paid from tribal funds who since July 1, 1924, or who may hereafter be absent from his designated headquarters at a greater distance than 5 miles on official business, may be allowed his actual expenses while away from headquarters, in addition to his salary," so as to make the paragraph read:

For the support of the Osage Agency and pay of tribal officers, the tribal attorney and his stenographer, and employees of said agency, \$149,100, of which \$15,000 shall be immediately available, to be paid from the funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma: *Provided*, That any employee of the Osage Agency paid from tribal funds who since July 1, 1924, or who may hereafter be absent from his designated headquarters at a greater distance than 5 miles on official business, may be allowed his actual expenses while away from headquarters, in addition to his salary.

The amendment was agreed to.

The next amendment was, on page 60, after line 15, to insert:

For the employment of special counsel to assist State and Federal authorities in the prosecution of person or persons held for implication in the crimes resulting in the murder of Osage Indians, \$20,000, or so much thereof as may be necessary, to be immediately available, to be paid from funds held by the United States in trust for said Indians, to be expended with the approval of and under the supervision of the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, on page 63, after line 14, to insert:

The unexpended balance of the sum of \$20,000 of the tribal funds of the Navajo Indians authorized to be withdrawn from the Treasury for expenditure under regulations to be prescribed by the Secretary of the Interior for the maintenance and repair of that portion of the Federal-aid highway from Gallup, N. Mex., to Shiprock, N. Mex., across the Navajo Indian Reservation in conformity with the act of June 7, 1924 (43 Stat. L. pp. 606, 607), contained in the Interior Department appropriation act for the fiscal year 1926, is hereby made available for the same purposes for the fiscal year 1927.

The amendment was agreed to.

The next amendment was, on page 65, after line 16, to insert:

So much as may be necessary of the tribal funds of the Menominee Indians of Wisconsin, arising under the acts of June 12, 1890 (26 Stat. L. p. 146), and March 28, 1908 (35 Stat. L. p. 51), is appropriated to enable the Secretary of the Interior to make therefrom a per capita payment or distribution of not to exceed \$100 to such Indians entitled thereto under such rules and regulations as he may prescribe.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation," on page 68, line 9, after the word "employees," to strike out "employment of men with teams, automobiles, or other facilities," so as to read:

For all expenditures authorized by the act of June 17, 1902 (32 Stat. p. 388), and acts amendatory thereof or supplementary thereto, known as the reclamation law, and all other acts under which expenditures from said fund are authorized, including personal services in the District of Columbia and elsewhere; examination of estimates for appropriations in the field; refunds of overcollections hereafter received on account of water-right charges, rentals, and deposits for other purposes; printing and binding, not exceeding \$30,000; purchase of rubber boots for official use by employees; purchase, maintenance, and operation of horse-drawn and motor-propelled passenger-carrying vehicles; payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of irrigation works, and which may be compromised by agreement between the claimant and the Secretary of the Interior, or such officers as he may designate; and payment for official telephone service in the field hereafter incurred in case of official telephones installed in private houses when authorized under regulations established by the Secretary of the Interior:

The amendment was agreed to.

The next amendment was, on page 69, line 3, after the word "until," to strike out "the two following conditions shall have been met: (a) A" and insert "a," and in line 11, after the word "repaid," to strike out "within such terms of years as the Secretary may find to be necessary, and the execution of said contract or contracts shall have been confirmed by a decree of a court of competent jurisdiction; and (b) a contract or contracts shall have been executed between the United States and the State or States wherein said projects or divisions are located, whereby such State or States shall assume the duty and responsibility of promoting the development and settlement of the projects or divisions after completion, the securing, selecting, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies, and the improvement of the lands to render them habitable and productive. In each such case the State, or a corporation duly organized for that purpose, shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior" and insert "conformable to the provisions of Forty-third United States Statutes, page 702 et sequa," so as to read:

No part of the sums provided for in this act for the Sun River, Owyhee, Vale, and Baker projects shall be expended for construction purposes until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or irrigation districts organized under State law providing for payment by the district or districts of the cost of constructing, operating, and maintaining the works during the time they are in control of the United States, such cost of constructing to be repaid conformable to the provisions of Forty-third United States Statutes, page 702 et sequa. Such contract or contracts with irrigation districts hereinbefore referred to shall further provide that all irrigable land held in private ownership by any one owner in excess of 160 irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sale prices thereof fixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works; and that no such excess lands so held shall receive water from any project or division if the owners thereof shall refuse to execute valid recordable contracts for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior; and that until one-half the construction charges against said lands shall have been fully paid no sale of any such lands shall carry the right to receive water unless and until the purchase price involved in such sale is approved by the Secretary of the Interior; and that upon proof of fraudulent representation as to the true consideration involved in such sales the Secretary of the Interior is authorized to cancel the water right attaching to the land involved in such fraudulent sales.

Mr. WALSH. Mr. President, I desire to suggest to the Senator from Utah that language—

conformable to the provisions of Forty-third United States Statutes, page 702 et sequa—

Is hardly artistic language.

Mr. SMOOT. That was the language that the Senator from Montana and his colleague suggested to me.

Mr. WALSH. I recall it very well. I was going to suggest to the Senator that he designate the act as it is officially designated—the second deficiency act, fiscal year 1924, approved December 5, 1924.

Mr. McNARY. Mr. President, I think that is the language that I used in the meeting we had of western Senators. I checked up that language, and it does refer to the same act to which the Senator now makes reference.

Mr. WALSH. Yes; but I just thought that was not a very appropriate reference to the act. The act says it shall be cited as the second deficiency act, fiscal year 1924.

Mr. McNARY. I think this is sufficiently exact, but I should have no objection to making that change.

Mr. WALSH. I simply make the suggestion. Some question might arise in regard to it.

Mr. SMOOT. I care not which way it is, but it does refer to the act. I have the act here.

Mr. WALSH. I know; the correct page is given.

Mr. SMOOT. Would the Senator prefer to refer to the act of December 5, 1924?

Mr. WALSH. The act approved December 5, 1924. The last section of the act says that it shall be cited as the second deficiency act, fiscal year 1924.

Mr. SMOOT. Then, Mr. President, I have no objection to the suggested amendment; and it will also appear once or twice more in the bill; I forget which.

Mr. WALSH. Yes.

Mr. SMOOT. If we accept that amendment, to which I have no objection, then when we reach the other point in the bill we will change it in exactly the same way.

Mr. WALSH. The amendment will be, then, to strike out the words "forty-third United States Statutes, page 702 et sequa," and to substitute in lieu thereof "the second deficiency act, fiscal year 1924, approved December 5, 1924."

Mr. SMOOT. Yes; that is correct.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment it is proposed to strike out "Forty-third United States Statutes, page 702 et sequa," and to insert "the second deficiency act, fiscal year 1924, approved December 5, 1924."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 72, line 23, after the word "March," to strike out "3" and insert "4," so as to make the paragraph read:

Boise project, Idaho: For operation and maintenance, continuation of construction, and incidental operations, \$394,000: *Provided*, That the expenditure for drainage shall not exceed the amount paid by the water users pursuant to the provisions of the Boise public notice dated February 15, 1921, except for drainage in irrigation districts formed under State laws and upon the execution of agreements for the repayment to the United States of the costs thereof: *Provided further*, That the unexpended balance of the appropriation for the fiscal year 1926 made available by the act approved March 4, 1925, shall remain available for the fiscal year 1927 for development of storage facilities for the Black Canyon unit.

The amendment was agreed to.

The next amendment was, on page 74, line 10, after the word "operation," to strike out "Malta and Chinook divisions, \$72,000" and insert "\$84,000," so as to read:

Miss River project, Montana: For operation and maintenance, continuation of construction, and incidental operation, \$84,000.

The amendment was agreed to.

The next amendment was, on page 76, line 3, after the word "operations," to strike out "\$1,800,000" and insert "\$1,500,000," so as to read:

North Platte project, Nebraska-Wyoming: For operation and maintenance, continuation of construction, and incidental operations, \$1,500,000.

The amendment was agreed to.

The next amendment was, on page 76, line 5, after the word "operation," to insert "of any division of the project," and in line 9, after the word "charges," to insert "against lands of that division," so as to read:

Provided, That no part of this amount shall be available for maintenance and operation of any division of the project after December 31, 1926, unless a contract or contracts shall have been made with an irrigation district or with irrigation districts organized under State law providing for payment of construction and operation and maintenance charges against lands of that division by such district or districts.

The amendment was agreed to.

The next amendment was, on page 77, line 18, after the word "repaid," to strike out: "Within such term of years as the Secretary may find to be necessary, and the execution of such contract or contracts shall have been confirmed by decree of a court of competent jurisdiction: *Provided further*, That no part of the sum provided for herein shall be expended for construction purposes until a contract or contracts shall have been executed between the United States and the State of Nevada, whereby such State shall assume the duty and responsibility of promoting the development and settlement of the division after completion, the securing, selecting, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies, and the improvement of the lands to render them habitable and productive. The State of Nevada, or a corporation duly organized for that purpose, shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior," and insert "conformable to the provisions of Forty-third United States Statutes, page 702 et sequa," so as to read:

Newlands project, Spanish Springs division, Nevada: For continued investigations, commencement or continuation of construction, and incidental operations, the unexpended balance of the appropriation of \$500,000 for the fiscal year 1926, made available by the act of March 3, 1925 (43 Stat. p. 1167), shall remain available for the fiscal year 1927: *Provided*, That no water shall be delivered to irrigators on this division outside of the limits of the Truckee-Carson Irrigation district until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or with irrigation districts organized under State law providing for payment by the district or districts of the cost of constructing, operating, and maintaining the works during the time they are in the control of the United States, such cost of constructing to be repaid conformable to the provisions of Forty-third United States Statutes, page 702 et sequa. Such contract or contracts with irrigation districts hereinbefore referred to shall further provide that all irrigable land held in private ownership by any one owner in excess of 160 irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sale prices thereof affixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works; and that no such excess lands so held shall receive water from the division if the owners thereof shall refuse to execute valid recordable contracts for sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior, and that until one-half of the construction charges against said lands shall have been fully paid no sale of any such lands shall carry the right to receive water unless and until the purchase price involved in such sale is approved by the Secretary of the Interior, and that upon proof of fraudulent representation as to the true consideration involved in such sales the Secretary of the Interior is authorized to cancel the water right attaching to the land involved in such fraudulent sales.

Mr. SMOOT. I suggest the same amendment there.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the words "Forty-third United States Statutes, page 702 et sequa," and to insert "the second deficiency act, fiscal year 1924, approved December 5, 1924."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 81, line 11, after the word "maintenance," to strike out "until December 30, 1926, \$40,000," and insert "continuation of construction, and incidental operations, \$65,000," so as to read:

Belle Fourche project, South Dakota: For operation and maintenance, continuation of construction, and incidental operations, \$65,000.

The amendment was agreed to.

The next amendment was, on page 81, line 17, after the word "Reservoir," to insert "Utah Lake control," so as to read:

Salt Lake Basin project, Utah, first division: For continued investigations, construction of Echo Reservoir, Utah Lake control, and Weber-Provo Canal, operation and maintenance, and incidental operations, the

unexpended balance of any appropriation available for these purposes for the fiscal year 1926 shall be available during the fiscal year 1927: *Provided*, That no part of this appropriation shall be used for construction purposes until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or with irrigation districts organized under State law, or water users' association or associations, providing for payment by the district or districts, or water users' association or associations: *Provided further*, That the operation and maintenance charges on account of land in this project shall be paid annually in advance not later than March 1. It shall be the duty of the Secretary of the Interior to give public notice when water is actually available for such lands, and the operation and maintenance charges, if any, payable to the United States for the first year after such public notice shall be transferred to and paid as a part of the construction payment.

The amendment was agreed to.

The next amendment was, on page 83, after line 4, to insert:

Riverton project, Wyoming: For operation and maintenance, continuation of construction, and incidental operations, to be immediately available, \$250,000.

The amendment was agreed to.

The next amendment was, on page 83, line 10, after the word "operations," to strike out "Frannie and Garland divisions," and insert "and investigation of remainder of project," so as to read:

Shoshone project, Wyoming: For operation and maintenance, continuation of construction, and incidental operations, and investigation of remainder of project, \$128,000: *Provided*, That no part of this amount shall be available for maintenance and operation of the Frannie division after December 31, 1926, and that any moneys which may be advanced for construction and operation and maintenance of the said Frannie division after that date shall be covered into the reclamation fund and shall be available for expenditure for the purposes for which contributed in like manner as if said funds had been specifically appropriated for said purposes:

The amendment was agreed to.

The next amendment was, on page 84, after line 19, to insert:

To enable the Secretary of the Interior to aid and direct settlement on certain Federal reclamation projects, as authorized herein, \$100,000, to be immediately available: *Provided*, That the Secretary of the Interior is authorized in connection with the settlement and development of any existing Federal reclamation projects, or units thereof, to be later selected and designated by the Secretary of the Interior, to withdraw from entry such an area of public land as shall be designated as a settlement unit or a project of sufficient size to create therefrom not less than 100 farms and not less than 10 fractional farm allotments on each of such projects, or units of projects, and to provide for an aided and directed settlement of such lands, including their disposition in accordance with the provisions contained herein: *Provided further*, That the Secretary shall cause said farms and fractional farm allotments to be disposed of, and the construction charges and the charges for operation and maintenance against the land on account of the water rights shall be paid in accordance with the requirements of the reclamation law of June 17, 1902 (32 Stat. L., p. 388), and acts amendatory thereof or supplementary thereto. Upon compliance by the purchaser of such land with the terms of his said contract and upon his making the payments referred to herein, the Secretary is authorized to make conveyance to the purchaser of all the right, title, and interest of the United States in and to the land so purchased: *Provided further*, That the Secretary shall require each applicant for a farm or fractional farm allotment to show that he has had actual farming experience and is possessed of capital in money or farm equipment, or both, of not less than \$1,500 when a farm is entered or purchased, and \$200 when an entry or purchase is made of a fractional farm allotment. Every entryman or purchaser referred to herein shall maintain his actual residence upon the land following the year of his entry or purchase, and until he shall have made full payment of all moneys advanced to him as provided herein, together with the then accrued and unpaid interest thereon, and shall have also paid or provided for the payment of all State, county, and local taxes and irrigation district assessments which at that time constitute liens on his improvements; whereupon, and after such payments, a patent or deed shall be issued to him or to his grantee: *Provided further*, That the Secretary may, in his discretion, for good cause shown and under such rules as he may prescribe, grant any entryman or purchaser a leave or leaves of absence from his land: *Provided further*, That any such entryman or purchaser of a farm or fractional farm allotment as provided for herein shall have the right to sell his land, with the approval of the Secretary, on condition that his grantee shall succeed to all his rights and privileges, and assume and discharge all his obligations and burdens as to such land: *Provided further*, That the Secretary is authorized, in his discretion, to advance for permanent improvements and for the purchase of

livestock not exceeding the sum of \$3,000 on account of any one farm, and not exceeding the sum of \$800 on account of any one fractional allotment. No such advance shall exceed 60 per cent of the value of permanent improvements, or livestock, in connection with which made, nor shall such advances be made for permanent improvements until the purchaser shall have provided the remaining 40 per cent in cash or shall have theretofore provided its equivalent in value in improvements made at his sole cost. Advances for permanent improvements and the purchase of livestock shall constitute a first lien on such improvements and livestock, and shall be paid with interest at the rate of 4 per cent per annum in amortized installments, as may be authorized by the Secretary. The Secretary shall provide such supervision as in his opinion may be necessary to insure the use of all advances for the purposes for which made. Each entryman or purchaser shall, if required, insure and keep insured against fire, all buildings on his land, the policies therefor to be made out in favor of the Secretary or such other official as he may designate. The Secretary shall, by regulation or otherwise, require that the entryman or purchaser shall cultivate the land in a manner to be approved by him, and shall keep in good order and repair buildings, fences, and other permanent improvements situated on the land, reasonable wear, tear, and damage by fire excepted: *Provided further*, That in case of default on the part of the entryman or purchaser to comply with any of the terms of this contract or any rules or regulations promulgated by the Secretary as authorized herein, continuing after one year's notice, the Secretary shall have the right, in his discretion, to cancel said contract, and thereupon shall be released from all obligation in law or in equity to convey the property, and the entryman or purchaser shall forfeit all rights thereto and all payments theretofore made shall be deemed to be rental paid for occupancy. The Secretary shall thereupon be entitled to the possession of said property. The failure of the Secretary to exercise any option to cancel the contract for default shall not be deemed a waiver of the right to exercise the option to cancel said contract for any default thereafter on the part of the entryman or purchaser. No forfeiture so occasioned by default on the part of the entryman or purchaser shall be held or deemed in any way or to any extent to impair any lien or security on improvements or other property which may be obtained as provided for hereunder: *Provided further*, That for the purpose of carrying into effect the provisions herein there is hereby authorized to be appropriated, out of the special fund in the Treasury of the United States created by the act of June 17, 1902, and therein designated "the reclamation fund," the sum of \$300,000 for the fiscal years as follows: 1927, \$100,000; 1928, \$200,000; and 1929, \$200,000: *Provided further*, That (a) the words "settlement unit" when used herein shall be construed to mean a substantial irrigable area of a project designated as a unit by order of the Secretary of the Interior; (b) the word "farm" as used herein shall be construed to mean an area of land, not exceeding 100 acres, designated by the Secretary as a farm; (c) the words "fractional farm allotment" as used herein shall be construed to mean an area of land, not exceeding 5 acres, designated by the Secretary to provide a home for a settler sufficient for dwelling and necessary outbuildings and for a garden on which the settler and his family may grow products for their own food supply; (d) the words "entryman or purchaser" as used herein shall be construed to mean one who has entered or to whom has been sold a farm or fractional farm allotment: *Provided further*, That the Secretary of the Interior is hereby authorized to perform any and all acts and make all needful rules and regulations for effectuating the purposes contained herein;

Mr. KING. Mr. President, I make the point of order against this amendment, beginning on page 84, line 20, down to and including line 18 on page 89. I base my point of order upon the provisions of Rule XVI of the Standing Rules of the Senate, the second paragraph, reading as follows:

The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation, a point of order may be made against the bill; and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

Mr. WALSH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Montana?

Mr. KING. I yield.

Mr. WALSH. I trust the Senator will withhold his point of order until some discussion of the subject has been had. This amendment is in the bill as the result of very careful consideration by the Committee on Irrigation and Reclamation, and I feel certain that if the Senator knows the situation, he will not urge the objection.

Mr. SMOOT. Mr. President, I want to say to the Senator from Montana that the point of order can not lie against this amendment. The language of the amendment was passed in the shape of a bill by the Senate of the United States. If it

had not been passed by the Senate or by the House, the committee never would have put it upon this bill; and if it had been offered on the floor, a point of order would have lain against it. But it is identical with the measure passed by the Senate in the form of a bill, and therefore, under the rule, it is entitled to be put upon an appropriation bill. Therefore I contend that the point of order does not lie against it.

Mr. KING. Mr. President, I do not concede the contention of my colleague that because a bill has passed the Senate which does provide new legislation, and becomes a law—and this has not passed the House, and therefore is not a law—it may be tacked on as a rider to an appropriation bill. But just a word in response to my good friend the Senator from Montana.

Mr. McNARY. Mr. President, will the Senator permit an interruption?

Mr. KING. Certainly.

Mr. McNARY. I think properly to understand the situation we must consider that this takes the place of language used by the House which was stricken out of the bill. It is an enlargement of the idea of land settlement; it comes to us from the House in different language, conveying a similar purpose, namely, to promote the settlement of lands. That language employed by the House, and contained in the bill, is stricken out by the Senate committee and this language was used as a substitute. There is no rule of the Senate I know of that forbids a Senate committee changing House language when the general purpose is maintained. This is in addition to what the Senator from Utah has said.

Mr. SMOOT. Let me call attention to paragraph 2 of the rule:

All amendments to general appropriation bills moved by direction of a standing or select committee of the Senate proposing to increase an appropriation already contained in the bill, or to add new items of appropriation, shall, at least one day before they are considered, be referred to the Committee on Appropriations, and when actually proposed to the bill no amendment proposing to increase the amount stated in such amendment shall be received; in like manner, amendments proposing new items of appropriation to river and harbor bills shall, before being considered, be referred to the Committee on Commerce; also amendments to bills establishing post roads or proposing new post roads shall, before being considered, be referred to the Committee on Post Offices and Post Roads.

This bill was reported to the Senate, it lay over a day, it was passed by the Senate—

Mr. KING. Which bill?

Mr. SMOOT. A bill containing this very item was passed by the Senate, and it was referred to the Committee on Appropriations. The Committee on Appropriations considered it and acted unanimously on it, agreed to the amendment as reported in the bill, and it is now before the Senate, and under the rule is in order. I will say to my colleague that the provision of the rule to which he referred applies to an appropriation that has not passed either the Senate or the House, and a point of order would have lain against such an item.

Mr. WALSH. Let me inquire of the Senator from Utah whether he understands, as suggested by the Senator from Oregon, that the language to which he now objects is intended as a substitute for that found on pages 69 and 70, which was stricken out a short while ago?

Mr. KING. I did not understand it until the Senator from Oregon suggested it. But will the Senator call my attention to the language for which he claims this is a substitute?

Mr. WALSH. Yes. On page 69 reference is made to the Sun River, Owyhee, Vale, and Baker projects, which are regarded by the Reclamation Service as new projects, with reference to which the Reclamation Service was desirous of applying this policy of either State or National aid to the settlers. The Senator will recall that a year ago this policy was sought to be applied to two projects, the Kittitas project in the State of Washington and the Sun River project in the State of Montana, and it was provided that the appropriations made should not be expended until a contract was entered into with those States, respectively, by which the States should undertake to finance the settlers upon the projects.

I said then that this was the opening wedge for the application of that policy to the entire reclamation system; that the States within the reclamation region would not enter into such contracts, and consequently this meant the entire destruction of the reclamation system. They sought this year to apply it to these four projects, the language being as follows:

No part of the sums provided for in this act for the Sun River, Owyhee, Vale, and Baker projects shall be expended for construction purposes until the two following conditions shall have been met: (a) A contract or contracts in form approved by the Secretary of the In-

terior shall have been made with an irrigation district or irrigation districts organized under State law providing for payment by the district or districts of the cost of constructing, operating, and maintaining the works during the time they are in control of the United States, such cost of constructing to be repaid within such terms of years as the Secretary may find to be necessary, and the execution of said contract or contracts shall have been confirmed by a decree of a court of competent jurisdiction; and (b) a contract or contracts shall have been executed between the United States and the State or States wherein said projects or divisions are located, whereby such State or States shall assume the duty and responsibility of promoting the development and settlement of the projects or divisions after completion, the securing, selecting, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies, and the improvement of the lands to render them habitable and productive. In each such case the State, or a corporation duly organized for that purpose, shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior.

Mr. KING. Mr. President, does the Senator think that because there was a provision in the bill as it passed the House which required the Secretary of the Interior to enter into contracts with the States that the latter would finance those who went upon the land, this is a pertinent and proper amendment and would not be subject to a point of order?

Mr. WALSH. I have no doubt about it. But I was not discussing the point of order. I was trying to explain to the Senator the occasion for the language in the bill to which he now takes exception. The amendment to which the Senator has addressed his point of order proposes a test of the policy of aiding a settler who goes upon the land. The bill as it came from the House proposed that the States finance the settlers. The amendment proposes not that the General Government do it as extensively as here proposed but that a simple appropriation of \$100,000 be made, and that it be tested out.

Mr. KING. Five hundred thousand dollars.

Mr. McNARY. In a three-year period \$100,000 carried in this bill, available for 1926.

Mr. KING. But the aggregate is \$500,000.

Mr. McNARY. Yes; covering the period of three years, for the purpose of experimentation.

Mr. WALSH. For the purpose of making the experiment. We are in this situation with respect to this: The Reclamation Service is wedded to this proposition of trying out the question of aiding the settlers to go upon these projects. The House is wedded to the proposition. The western representatives in this body are, I think, as a unit opposed to the system altogether. We have proposed accordingly that instead of blocking the whole reclamation system in this way—for that is what it amounts to, because the States will not enter into any such contract; they can not do it; they are not financially able to do it—we tender this as a substitute.

Mr. KENDRICK. Mr. President, I call the Senator's attention to a further fact which would seem an insurmountable barrier, that the constitutions of several States prevented them from rendering aid.

Mr. KING. Replying to the Senators from Montana and Wyoming, I am as much opposed to the proposition requiring the States to finance settlement of reclamation projects as either of the Senators. It would be a coercive policy applied by the Federal Government to compel the States to do something which they may not be willing to do and which under the constitutions of some of them they would have no right to do.

The Federal Government owns millions of acres of arid lands in the Western States. It is unwilling, apparently, to cede these lands to the States. They constitute as much as 60 to 75 per cent of the entire area in some of the intermountain States. It was the theory of the Newlands Reclamation Act that the General Government, by placing water upon some of the lands which it owns within these States, will be able to dispose of them to its advantage and to the benefit of the entire country. It was believed even by some strict constructionists of the Constitution that the General Government had the right to appropriate money to build dams and impound water for the irrigation and reclamation of its own holdings which, without irrigation, were but of little, if any, value. Under the Newlands Act a fund was established known as the reclamation fund, out of which the reclamation projects were financed.

Citizens of the United States went upon these lands and by their toil and efforts reclaimed many thousands of acres. They have returned to the fund large sums of money and will, except in a few instances, make full payment for the lands, together with the water rights appurtenant thereto, which they contracted to purchase from the United States. No one ever dreamed that the reclamation act contemplated

that the Government would do more than build the necessary reservoirs and convey the water to the lands which were to be occupied by settlers who entered thereon for the purpose of making homes and acquiring title from the Government.

But we are now confronted with a proposition to have the Federal Government advance money to settlers upon these lands and to become their guardians, watching over them for an indefinite period, controlling their every act, and prescribing even their very wishes and desires. The policy proposed in this amendment is but the entering wedge to a broader and more comprehensive one which will project the Federal Government into what I believe to be an improper and unwise paternalistic program.

Doctor Mead, the head of the Reclamation Service, as I am advised, has become an active propagandist in favor of this policy. In California he urged the State to adopt a similar one. Doubtless he went to New Zealand for his inspiration, and now seeks to engraft upon the Reclamation Service a somewhat modified form of the New Zealand law. Undoubtedly, as stated by the Senator from Montana, some officials in the Reclamation Service are wedded to this scheme, and there are individuals who are insisting that the States shall finance all persons who enter upon reclamation projects.

Mr. President, if this scheme of the Federal Government furnishing funds to every settler who goes upon reclamation projects is carried out, it will in the end cost the Government tens of millions of dollars. The personnel in the Reclamation Service will be materially augmented and the importance of this governmental agency will be immeasurably magnified.

I am opposed to governmental landlordism. I am opposed to the Government becoming the father and mother and nurse and guardian of American citizens. The scheme to me is most objectionable, and is wholly unnecessary. The pioneers who went into the West and built roads and founded towns and cities and States, were not subsidized by the Federal Government, nor was the Federal Treasury open to meet either their necessities or their demands. They had no Federal Government to build reservoirs or construct canals. Their courage and valor and faith in themselves wrought mighty miracles and converted arid wastes into fruitful fields and made the desert blossom as the rose. I do not think it wise or proper for the Federal Government to finance those who go upon reclamation projects. If they do, why should they not finance those who seek to obtain title to the public domain under the homestead law?

Mr. WALSH. Let us admit all that; and many of us sympathize more or less with the views of the Senator. Nevertheless, the Senator can not be oblivious of the fact that a very substantial sentiment has been developed within the last two years against the whole reclamation policy, and this proposition has no little support in the House, because it is recognized it means the death of the system. We have to confront this situation. That is all there is to it.

Mr. ODDIE. Mr. President, will the Senator yield?

Mr. KING. I would like to reply to the Senator; but I yield to the Senator from Nevada.

Mr. ODDIE. This amendment was thrashed out very thoroughly last year before the Committee on Irrigation and Reclamation, and is practically in the same form as the bill introduced by the Senator from Wyoming [Mr. KENDRICK] last year and favorably acted on by the committee. This year we have discussed the question of State aid at great length. In my State the proposition of State aid is absolutely unconstitutional, unfeasible, and impractical. I hope this amendment which takes its place will be agreed to.

I think it is understood by the members of the committee that the experimental work provided for in this amendment will not in any manner delay or hold up work on projects which have been authorized and appropriated for. I will ask the Senator from Utah if that is not the case.

Mr. SMOOT. This is an entirely different proposition from any new project. I may say to the Senate that if it becomes a law it is my opinion that the Secretary of the Interior will select two projects, and, personally, if this was to be a permanent program, if it was to be followed year in and year out, if it was to be a policy established, I never would vote for it in the world. It seems to be that it is the cheapest way in the world to settle this propaganda that is going from one end of this country to the other, started, I may say to my colleague, by the department, in my opinion, that the Government of the United States is going to advance money to any man who wants to go on a project in the sum of \$3,000, if he has \$1,500, and let him work out the farm if possible, under the direction of the Government. My experience has taught me that the man who

goes upon a farm and is a farmer, who goes there knowing that he has to rely upon what he has and the strength of his arm, and has a determination to make a home, irrespective of what he would be called upon to suffer or pass through, is the man who ultimately makes a success.

A great many people believe otherwise. I think the expenditure of \$500,000 will be the cheapest way in the world to demonstrate the theory as to whether they can be assisted by the Government, pay back to the Government every dollar that they get, and then make a success of the irrigation projects.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. KING. I promised to yield first to the Senator from Nevada. Then I shall be glad to yield to the Senator from Florida.

Mr. ODDIE. As I understand it, if the amendment is agreed to, and whether it is agreed to or not, there will be no further delay in the beginning and completion of the projects already authorized and appropriated for?

Mr. SMOOT. None whatever if we can get the bill passed, but Senators must remember that a year ago the interior appropriation bill was in conference for weeks and weeks.

Mr. KING. We have not the Spanish Springs item in the bill now as we had then.

Mr. SMOOT. That was not the trouble. The trouble was with the State aid item. That is the trouble we had a year ago. That will be the trouble now if we keep these provisions in the bill and reject the amendment now under consideration.

I merely want to add this statement. I take it for granted that Senators who are interested in the reclamation of land in the West want to reach the time when, if a project is going to be a success, we can know it and appropriate money for it and get it completed. We want to know which of the projects are not feasible and of which it is impossible to make a success, and then not spend another dollar of Government money upon them.

With this amount of money I have not any doubt in the world that the whole proposition will be settled and settled for all time. I may add in passing that I believe the policy that has been carried out to build up the West will ultimately succeed. I think this is the very cheapest way of arriving at the decision by actual experience and testing it out.

Mr. KING. The Senator wants to prove the falsity of Doctor Mead's theory by putting it into practice.

Mr. SMOOT. I think that is the only way it can be proved. If it should prove to be a success, I am one who will gladly admit that Doctor Mead was right and that the outcome of it was not what I expected. I should be glad to do that.

Mr. ODDIE. Mr. President, the Spanish Springs project in Nevada has just been mentioned. When that is completed it will be a credit to the whole reclamation system of the West. I want to see the work started without any further delay. These matters have been discussed thoroughly in the committee and declared feasible by the department. I understand that when this bill is passed there will be no further delay in starting and completing the work on it. If there is, we will find another way of bringing the matter before the Senate.

The VICE PRESIDENT. The Senator has made the point of order?

Mr. KING. Yes; I did.

The VICE PRESIDENT. The Chair is ready to rule. The amendment deals directly with the text of the bill as passed by the House, on page 69. The House having legislated in connection with it, the Chair would hold that the amendment relating to that legislation is in order. The point of order is not sustained.

Mr. KING. I shall not appeal, because we have not a quorum present. I yield now to the Senator from Florida.

Mr. TRAMMELL. I desired to ask the Senator from Oregon [Mr. McNARY] a question, but I will submit it at another time.

Mr. KENDRICK. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. KING. I yield.

Mr. KENDRICK. Since the discussion arose I have attempted to find the reference made in the House to the language for which the language in this bill is a substitute. As yet I have been unable to. But when the bill was under discussion in the House a point of order was raised against the provision for State aid, and the Speaker ruled that the point of order was not well taken. The language in this bill is a substitute for that. Therefore if that was in order, the same should hold true in this instance.

The VICE PRESIDENT. No appeal has been taken from the ruling of the Chair. The point of order has not been sustained. The question is on agreeing to the amendment.

Mr. SMOOT. Mr. President, I ask that the amendment may go over until to-morrow, as we can not finish the bill to-night. I would like now to proceed with committee amendments, and then offer in behalf of the committee certain amendments.

Mr. KING. That course is agreeable to me.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 90, after line 12, to insert:

Under the supervision and direction of the Secretary of the Interior, the reclamation of arid lands, under the act of June 17, 1902, and acts amendatory thereof and supplementary thereto, shall be administered by a commissioner of reclamation, who shall be equipped for the duties of said office by practical experience in irrigation of arid lands and the agricultural development and utilization thereof, and who shall be appointed by the President, by and with the advice and consent of the Senate: *Provided*, That the first commissioner appointed under the provisions herein shall receive a salary of \$10,000 per annum.

The amendment was agreed to.

The next amendment was, on page 91, line 7, after the word "business," to strike out the period and "Payment may be made of expenses of packing, crating, and transportation (including drayage) of personal effects of employees of the Reclamation Service upon permanent change of stations" and to insert a semicolon, so as to read:

Whenever, during the fiscal year ending June 30, 1927, the Commissioner of the Bureau of Reclamation shall find that the expenses of travel, including the local transportation of employees to and from their homes to the places where they are engaged on construction or operation and maintenance work, can be reduced thereby he may authorize the payment of not to exceed 3 cents per mile for a motor cycle or 7 cents per mile for an automobile used for necessary official business.

The amendment was agreed to.

The next amendment was, on page 91, at the end of line 11, to increase the total appropriation from the reclamation fund, from \$7,681,000 to \$7,768,000.

The amendment was agreed to.

The next amendment was, on page 92, after line 2, to insert:

To enable the Secretary of the Interior to cooperate with and assist the States of Idaho, Montana, Oregon, and Washington in negotiating an agreement or compact for the allocation of the waters of the Columbia River and its tributaries, excepting the Snake River; to advise and assist in the formation of the proper district organization under the laws of the State of Washington and to complete any further economic or other investigations, including power possibilities by gravity or pumping systems, necessary to authorize construction of the necessary works for the reclamation of the lands embraced in the Columbia Basin irrigation project in the State of Washington, \$25,000.

The amendment was agreed to.

The next amendment was, on page 92, after line 14, to insert:

For investigations to be made by the Secretary of the Interior through the Bureau of Reclamation to obtain necessary information to determine how arid and semiarid, swamp, and cut-over timberlands in any of the States of the United States may be best developed, as authorized by subsection R, section 4, second deficiency act, fiscal year 1924, approved December 5, 1924 (43 Stat. p. 704), expenditures hereunder to be made in accordance with the provisions applicable to appropriations made for the fiscal year 1927 from the reclamation fund, act of June 17, 1902 (32 Stat. p. 388), \$15,000.

The amendment was agreed to.

The next amendment was, under the heading "United States Geological Survey, general expenses," on page 94, line 7, after the word "forests," to strike out "\$525,000" and insert "\$451,700," and in line 8, after the word "exceed," to strike out "\$300,000" and insert "\$267,000," so as to read:

For topographic surveys in various portions of the United States, including lands in national forests, \$451,700, of which amount not to exceed \$267,000 may be expended for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be expended in cooperation with States or municipalities except upon the basis of the State or municipality bearing all of the expense incident thereto in excess of such an amount as is necessary for the Geological Survey to perform its share of standard topographic surveys, such share of the Geological Survey in no case exceeding 50 per cent.

The amendment was agreed to.

The next amendment was, on page 94, line 17, before the word "of," to strike out "\$415,500" and insert "\$372,200," and in line 18, after the word "municipalities," to strike out the comma and "and of this \$73,300 shall be immediately available," so as to make the further proviso read:

Provided further, That \$372,200 of this amount shall be available only for such cooperation with States or municipalities.

The amendment was agreed to.

The next amendment was, on page 95, line 9, after the name "Alaska," to strike out "\$50,000" and insert "\$63,000," and in line 10, after the word "exceed," to strike out "\$30,000" and insert "\$40,000," so as to make the paragraph read:

For continuation of the investigation of the mineral resources of Alaska, \$63,000, to be available immediately, of which amount not to exceed \$40,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 95, line 25, after the word "laws," to strike out "\$200,000" and insert "\$240,000," so as to read:

For the examination and classification of lands requisite to the determination of their suitability for enlarged homesteads, stock-raising homesteads, public watering places, and stock driveways, or other uses, as required by the public land laws, \$240,000, of which amount not to exceed \$150,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 96, line 8, after the numerals "1921," to insert "and other acts," so as to read:

For the enforcement of the provision of the acts of October 20, 1914, October 2, 1917, February 25, 1920, and March 4, 1921, and other acts relating to the mining and recovery of minerals on Indian and public lands and naval petroleum reserves; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, the construction, maintenance, and repair of necessary camp buildings and appurtenances thereto, \$312,000, of which amount not to exceed \$29,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 96, line 18, after the word "scientific," to insert "and technical," and in line 20, after the word "scientific," to insert "and technical," so as to read:

During the fiscal year 1927 the head of any department or independent establishment of the Government having funds available for scientific and technical investigations and requiring cooperative work by the Geological Survey on scientific and technical investigations within the scope of the functions of that bureau and which it is unable to perform within the limits of its appropriations may, with the approval of the Secretary of the Interior, transfer to the Geological Survey such sums as may be necessary to carry on such investigations. The Secretary of the Treasury shall transfer on the books of the Treasury Department any sums which may be authorized hereunder, and such amounts shall be placed to the credit of the Geological Survey for the performance of work for the department or establishment from which the transfer is made.

The amendment was agreed to.

The next amendment was, on page 98, at the end of line 3, to reduce the total appropriation for the United States Geological Survey from \$1,852,740 to \$1,832,440.

The amendment was agreed to.

The next amendment was, under the heading "National parks," on page 106, line 3, after the figures "\$20,000," to insert "of which amount \$10,000 shall be immediately available for the purchase of equipment," so as to read:

To enable the Secretary of the Interior to meet the emergencies caused by forest insects within national parks and national monuments under the jurisdiction of the Department of the Interior and to provide personnel and equipment for the investigation, control, and prevention of spread of such insects, to be expended directly or in cooperation with other departments of the Federal Government or with States, \$20,000, of which amount \$10,000 shall be immediately available for the purchase of equipment.

The amendment was agreed to.

The next amendment was, under the subhead "Freedmen's Hospital," on page 117, line 9, after the word "ambulance," to insert "and not exceeding \$200 for the purchase of books, periodicals, and newspapers for which payments may be made in advance," so as to read:

For subsistence, fuel and light, clothing, to include white duck suits and white canvas shoes for the use of internes and rubber surgical gloves, bedding, forage, medicine, medical and surgical supplies, surgical instruments, electric lights, repairs, replacement of X-ray apparatus, furniture, motor-propelled ambulance, and not exceeding \$200 for the purchase of books, periodicals, and newspapers for which payments may be made in advance, and other absolutely necessary expenses, \$52,894.

The amendment was agreed to.

The next amendment was, on page 117, after line 13, to insert the following additional section:

SEC. 2. Appropriations herein made for the General Land Office, the Bureau of Indian Affairs, the Bureau of Reclamation, the Geological Survey, and the National Park Service shall be available for the employment of men with teams, automobiles, or other facilities.

Mr. KING. I do not quite understand that provision. Does it mean that they may expend for the activities called for in the item moneys which are appropriated for specific purposes?

Mr. SMOOT. This is to save considerable money. In other words, in the projects where they have a few days' work the Comptroller General has ruled that they could not hire a team of horses and wagon and a man to do work that would not take more than five or six days unless it was ordered from Washington.

Mr. KING. It was not intended that they might divert an appropriation which was not used for the employment of men and teams to some other purpose?

Mr. SMOOT. No. This is simply to meet a ruling made by the Comptroller General. Without it, it would mean a cost of perhaps four or five times as much on a small job involving only five or six days.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. SMOOT. I have several amendments which I desire to offer in behalf of the committee and which I send to the desk.

The VICE PRESIDENT. The first amendment will be stated.

The CHIEF CLERK. On page 3, line 11, after the word "service," insert the words "including personal services for temporary and emergency telephone operators."

The amendment was agreed to.

The CHIEF CLERK. On page 8, line 19, under the heading "Surveying public lands," strike out "\$800,000" and insert "\$830,000."

The amendment was agreed to.

The CHIEF CLERK. On page 11, line 2, in the swamp-land provision, strike out "\$430,000" and insert "\$435,000."

The amendment was agreed to.

The CHIEF CLERK. On page 68, after the word "engineer," in line 25, insert the following:

Provided further, That the Secretary of the Interior is hereby authorized, in his discretion, until June 30, 1927, to extend the time for payment of operation and maintenance or water-rental charges due and unpaid for such period as in his judgment may be necessary, not exceeding five years. The charges so extended shall bear interest, payable annually, at the rate of 6 per cent per annum until paid. The Secretary of the Interior is also authorized, in his discretion, until June 30, 1927, to contract with any irrigation district or water-users' association for the payment of the construction charges then remaining unpaid within such term of years as the Secretary may find to be necessary. The construction charges due and unpaid when such contract is executed shall bear interest, payable annually, at the rate of 6 per cent per annum until paid.

The amendment was agreed to.

The CHIEF CLERK. On page 107, after line 3, insert as a separate paragraph the following:

Hereafter appropriations made for the administration, protection, and maintenance of the national parks and national monuments under the jurisdiction of the Secretary of the Interior shall be available for expense of depositing public money.

The amendment was agreed to.

Mr. SMOOT. I desire to say to the Senator from North Carolina [Mr. SIMMONS] that the next amendment has relation to an appropriation for Howard University, but it does not include the objectionable item that has been put into appropriation bills in years past and which went out. The Senator's colleague [Mr. OVERMAN], a member of the committee, is entirely willing that the amendment should go in.

The VICE PRESIDENT. The next amendment offered by the Senator from Utah will be stated.

The CHIEF CLERK. On page 116, after line 22, insert:

Howard University, \$218,000.

The amendment was agreed to.

The CHIEF CLERK. On page 107, after line 3, insert the following as a separate paragraph:

The proviso at the end of section 21 of the Federal highway act, approved November 9, 1921, which requires that any amount of Federal funds apportioned to any State under the provisions of said act which shall remain unexpended at the end of the period during

which it is available for expenditure under said section shall be reapportioned within 60 days thereafter to all the States in the same manner and on the same basis as if it were being apportioned thereunder for the first time, shall not apply to such portion of the sum apportioned to the State of Montana from the appropriations made for the fiscal years ending June 30, 1924, and June 30, 1925, respectively, as may remain unexpended on June 30, 1926, and on June 30, 1927, respectively, the dates on which will expire the period during which the funds apportioned for the fiscal years 1924 and 1925, respectively, are available for expenditure; and the portion of the sum apportioned to Montana for said fiscal year 1924 which shall remain unexpended on June 30, 1926, and the portion of the sum apportioned to Montana for the fiscal year 1925 which shall remain unexpended on June 30, 1927, or such amount thereof as the Secretary of Agriculture may deem necessary, shall be expended by the Secretary of Agriculture in the construction of the road from Red Lodge, Mont., through the Beartooth National Forest and the Shoshone National Forest and Cooke City, State of Montana, so as to connect with the existing highway into the Yellowstone National Park, leading to said town of Cooke City: *Provided*, That no part of the appropriations herein referred to shall be used on roads outside of national forest reserves.

The amendment was agreed to.

ORDER FOR RECESS

Mr. JONES of Washington. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 12 o'clock to-morrow.

The VICE PRESIDENT. Without objection, it is so ordered.

CLAIMS OF ASSINIBOINE AND CROW INDIANS

Mr. JONES of Washington. Mr. President, there have been returned to the Senate from the House, at the request of the Senate, the bill (S. 2141) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboiné Indians may have against the United States, and for other purposes, and the bill (S. 2868) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes, and a motion to reconsider the votes by which the bills were passed has been entered. The Senator from Montana [Mr. WHEELER] is agreeable to having the motion granted and the bills restored to the calendar for further consideration.

The VICE PRESIDENT. Without objection, it is so ordered. The bills will be placed on the calendar.

Mr. HARRELD. I desire to submit supplemental reports on the bills.

Mr. WALSH. I inquire of the Senator from Oklahoma if he desires to offer an amendment to the bill.

Mr. HARRELD. No; I am merely offering supplemental reports. It seems that the former reports did not include the report of the Secretary of the Interior on the two bills. I am simply amending the former reports so as to set out the reports which have been filed and were before the committee from the Secretary of the Interior with reference to the two bills.

Mr. WALSH. The reports contain no suggestion of an amendment?

Mr. HARRELD. Yes; the report of the Secretary of the Interior does suggest some amendments.

The VICE PRESIDENT. The supplemental reports will be received.

Mr. HARRELD submitted supplemental reports to accompany the bills as follows:

A bill (S. 2141) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboiné Indians may have against the United States, and for other purposes (Rept. No. 351, pt. 2); and

A bill (S. 2868) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Crow Indians may have against the United States, and for other purposes (Rept. No. 352, pt. 2).

EXECUTIVE SESSION

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

RIGHTS IN THE CAMEROONS

In executive session this day, the following treaty was ratified, and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

To the Senate:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty between the Government of the United States and the Government of His Britannic Majesty, signed at London, February 10, 1925, in regard to the rights of the respective Governments and their nationals in that part of the former German protectorate of the Cameroons over which a mandate was conferred upon his Britannic Majesty.

CALVIN COOLIDGE.

THE WHITE HOUSE,

Washington, March 3, 1925.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a treaty between the Government of the United States and the Government of His Britannic Majesty, signed at London, February 10, 1925, in regard to the rights of the respective Governments and their nationals in that part of the former German protectorate of the Cameroons over which a mandate was conferred upon His Britannic Majesty.

Respectfully submitted,

CHARLES E. HUGHES.

DEPARTMENT OF STATE,

Washington, March 2, 1925.

Whereas His Britannic Majesty has accepted a mandate for the administration of part of the former German protectorate of the Cameroons, the terms of which have been defined by the Council of the League of Nations as follows:—

"ARTICLE 1

"The territory for which a mandate is conferred upon His Britannic Majesty comprises that part of the Cameroons which lies to the west of the line laid down in the declaration signed on the 10th July, 1919, of which a copy is annexed hereto.

"This line may, however, be slightly modified by mutual agreement between His Britannic Majesty's Government and the Government of the French Republic where an examination of the localities shows that it is undesirable, either in the interests of the inhabitants or by reason of any inaccuracies in the map, Moisel 1:300,000 annexed to the declaration, to adhere strictly to the line laid down therein.

"The delimitation on the spot of this line shall be carried out in accordance with the provisions of the said declaration.

"The final report of the Mixed Commission shall give the exact description of the boundary line as traced on the spot; maps signed by the Commissioners shall be annexed to the report. This report, with its annexes, shall be drawn up in triplicate; one of these shall be deposited in the archives of the League of Nations, one shall be kept by His Britannic Majesty's Government, and one by the Government of the French Republic.

"ARTICLE 2

"The Mandatory shall be responsible for the peace, order and good government of the territory, and for the promotion to the utmost of the material and moral well-being and the social progress of its inhabitants.

"ARTICLE 3

"The Mandatory shall not establish in the territory any military or naval bases, nor erect any fortifications, nor organise any native military force except for local police purposes and for the defence of the territory.

"ARTICLE 4

"The Mandatory:

"1. Shall provide for the eventual emancipation of all slaves and for as speedy an elimination of domestic and other slavery as social conditions will allow;

"2. Shall suppress all forms of slave trade;

"3. Shall prohibit all forms of forced or compulsory labour, except for essential public works and services, and then only in return for adequate remuneration;

"4. Shall protect the natives from abuse and measures of fraud and force by the careful supervision of labour contracts and the recruiting of labour;

"5. Shall exercise a strict control over the traffic in arms and ammunition and the sale of spirituous liquors.

"ARTICLE 5

"In the framing of laws relating to the holding or transfer of land, the Mandatory shall take into consideration native laws and customs, and shall respect the rights and safeguard the interests of the native population.

"No native land may be transferred, except between natives, without the previous consent of the public authorities, and no real rights over native land in favour of non-natives may be created, except with the same consent.

"The Mandatory shall promulgate strict regulations against usury.

"ARTICLE 6

"The Mandatory shall secure to all nationals of States Members of the League of Nations the same rights as are enjoyed in the territory by his own nationals in respect of entry into and residence in the territory, the protection afforded to their person and property, and acquisition of property, movable and immovable, and the exercise of their profession or trade, subject only to the requirements of public order, and on condition of compliance with the local law.

"Further, the Mandatory shall ensure to all nationals of States Members of the League of Nations, on the same footing as to his own nationals, freedom of transit and navigation, and complete economic, commercial and industrial equality; except that the Mandatory shall be free to organise essential public works and services on such terms and conditions as he thinks just.

"Concessions for the development of the natural resources of the territory shall be granted by the Mandatory without distinction on grounds of nationality between the nationals of all States Members of the League of Nations, but on such conditions as will maintain intact the authority of the local Government.

"Concessions having the character of a general monopoly shall not be granted. This provision does not affect the right of the Mandatory to create monopolies of a purely fiscal character in the interest of the territory under mandate and in order to provide the territory with fiscal resources which seem best suited to the local requirements; or, in certain cases, to carry out the development of natural resources, either directly by the State or by a controlled agency, provided that there shall result therefrom no monopoly of the natural resources for the benefit of the Mandatory or his nationals, directly or indirectly, nor any preferential advantage which shall be inconsistent with the economic, commercial and industrial equality hereinbefore guaranteed.

"The rights conferred by this article extend equally to companies and associations organised in accordance with the law of any of the Members of the League of Nations, subject only to the requirements of public order, and on condition of compliance with the local law.

"ARTICLE 7

"The Mandatory shall ensure in the territory complete freedom of conscience and the free exercise of all forms of worship which are consonant with public order and morality; missionaries who are nationals of States Members of the League of Nations shall be free to enter the territory and to travel and reside therein, to acquire and possess property, to erect religious buildings and to open schools throughout the territory; it being understood, however, that the Mandatory shall have the right to exercise such control as may be necessary for the maintenance of public order and good government, and to take all measures required for such control.

"ARTICLE 8

"The Mandatory shall apply to the territory any general international conventions applicable to his contiguous territory.

"ARTICLE 9

"The Mandatory shall have full powers of administration and legislation in the area, subject to the mandate. This area shall be administered in accordance with the laws of the Mandatory as an integral part of his territory and subject to the above provisions.

"The Mandatory shall therefore be at liberty to apply his laws to the territory under the mandate, subject to the modifications required by local conditions, and to constitute the territory into a customs, fiscal or administrative union or federation with the adjacent territories under his sovereignty or control, provided always that the measures adopted to that end do not infringe the provisions of this mandate.

"ARTICLE 10

"The Mandatory shall make to the Council of the League of Nations an annual report, to the satisfaction of the Council, containing full information concerning the measures taken to apply the provisions of this mandate.

"ARTICLE 11

"The consent of the Council of the League of Nations is required for any modification of the terms of this mandate.

"ARTICLE 12

"The Mandatory agrees that, if any dispute whatever should arise between the Mandatory and another Member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it can not be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by article 14 of the Covenant of the League of Nations"; and

Whereas the Government of His Britannic Majesty and the Government of the United States of America are desirous of reaching a definite understanding as to the rights of their respective Governments and of their nationals in the said territory:

The President of the United States of America and His Britannic Majesty have decided to conclude a convention to this effect, and have named as their plenipotentiaries:—

The President of the United States of America:

His Excellency the Honourable Frank B. Kellogg, Ambassador Extraordinary and Plenipotentiary of the United States at London:

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India:

The Right Honourable Joseph Austen Chamberlain, M. P., His Majesty's Principal Secretary of State for Foreign Affairs: who, after having communicated to each other their respective full powers, found in good and due form, have agreed as follows:—

ARTICLE 1

Subject to the provisions of the present convention, the United States consents to the administration by His Britannic Majesty, pursuant to the aforesaid mandate, of the former German territory described in article 1 of the mandate, hereinafter called the mandated territory.

ARTICLE 2

The United States and its nationals shall have and enjoy all the rights and benefits secured under the terms of articles 2, 3, 4, 5, 6, 7, 8 and 9 of the mandate to Members of the League of Nations and their nationals, notwithstanding the fact that the United States is not a member of the League of Nations.

ARTICLE 3

Vested United States property rights in the mandated territory shall be respected and in no way impaired.

ARTICLE 4

A duplicate of the annual report to be made by the Mandatory under article 10 of the mandate shall be furnished to the United States.

ARTICLE 5

Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above, unless such modification shall have been assented to by the United States.

ARTICLE 6

The Extradition treaties and conventions in force between the United States and the United Kingdom shall apply to the mandated territory.

ARTICLE 7

The present convention shall be ratified in accordance with the respective constitutional methods of the High Contracting Parties. The ratifications shall be exchanged at London as soon as practicable. It shall take effect on the date of the exchange of ratifications.

In witness whereof, the undersigned have signed the present convention, and have thereunto affixed their seals.

Done in duplicate at London, this 10th day of February, 1925.

[SEAL]

FRANK B. KELLOGG.

[SEAL]

AUSTEN CHAMBERLAIN.

RIGHTS IN EAST AFRICA

In executive session this day, the following treaty was ratified and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

To the Senate:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty between the Government of the United States and the Government of His Britannic Majesty, signed at London February 10, 1925, in regard to the rights of the respective Governments and their nationals in that part of the former German colony of East Africa over which a mandate was conferred upon His Britannic Majesty.

CALVIN COOLIDGE.

THE WHITE HOUSE,

Washington, March 3, 1925.

THE PRESIDENT:

The undersigned the Secretary of State has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a treaty between the Government of the United States and the Government of His Britannic Majesty, signed at London February 10, 1925, in regard to the rights of the respective Governments and their nationals in that part of the former German colony of East Africa over which a mandate was conferred upon His Britannic Majesty.

Respectfully submitted.

CHARLES E. HUGHES.

DEPARTMENT OF STATE,

Washington, March 2, 1925.

Whereas His Britannic Majesty has accepted a mandate for the administration of part of the former German colony of East Africa, the terms of which have been defined by the Council of the League of Nations as follows:—

"ARTICLE 1

"The territory over which a mandate is conferred upon His Britannic Majesty (hereinafter called the Mandatory) comprises that part of the territory of the former colony of German East Africa situated to the east of the following line:—

"From the point where the frontier between the Uganda Protectorate and German East Africa cuts the River Mavumba, a straight line in a south-easterly direction to point 1640, about 15 kilom. south-south-west of Mount Gabiro;

"Thence a straight line in a southerly direction to the north shore of Lake Mohazi, where it terminates at the confluence of a river situated about 2½ kilom. west of the confluence of the River Msilala;

"If the trace of the railway on the west of the River Kagera between Bugufi and Uganda approaches within 16 kilom. of the line defined above, the boundary will be carried to the west, following a minimum distance of 16 kilom. from the trace, without, however, passing to the west of the straight line joining the terminal point on Lake Mohazi and the top of Mount Kivisa, point 2100, situated on the Uganda-German East Africa frontier about 5 kilom. south-west of the point where the River Mavumba cuts this frontier;

"Thence a line south-eastwards to meet the southern shore of Lake Mohazi;

"Thence the watershed between the Taruka and the Mkarange and continuing southwards to the north-eastern end of Lake Mugesera;

"Thence the median line of this lake and continuing southwards across Lake Ssake to meet the Kagera;

"Thence the course of the Kagera downstream to meet the western boundary of Bugufi;

"Thence this boundary to its junction with the eastern boundary of Urundi;

"Thence the eastern and southern boundary of Urundi to Lake Tanganyika.

"The line described above is shown on the attached British 1:1,000,000 map. G.S.G.S. 2932, sheet Ruanda and Urundi. The boundaries of Bugufi and Urundi are drawn as shown in the Deutscher Kolonialatlas (Dietrich-Reimer), scale 1:1,000,000, dated 1906.

"ARTICLE 2

"Boundary Commissioners shall be appointed by His Britannic Majesty and His Majesty the King of the Belgians to trace on the spot the line described in article 1 above.

"In case any dispute should arise in connection with the work of these commissioners, the question shall be referred to the Council of the League of Nations, whose decision shall be final.

"The final report by the Boundary Commission shall give the precise description of this boundary as actually demarcated on the ground; the necessary maps shall be annexed thereto and signed by the commissioners. The report, with its annexes, shall be made in triplicate; one copy shall be deposited in the archives of the League of Nations, one shall be kept by the Government of His Majesty the King of the Belgians and one by the Government of His Britannic Majesty.

"ARTICLE 3

"The Mandatory shall be responsible for the peace, order and good government of the territory, and shall undertake to promote to the utmost the material and moral well-being and the social progress of its inhabitants. The Mandatory shall have full powers of legislation and administration.

"ARTICLE 4

"The Mandatory shall not establish any military or naval bases, nor erect any fortifications, nor organise any native military force in the territory except for local police purposes and for the defence of the territory.

"ARTICLE 5

"The Mandatory:

"1. Shall provide for the eventual emancipation of all slaves and for as speedy an elimination of domestic and other slavery as social conditions will allow;

"2. Shall suppress all forms of slave trade;

"3. Shall prohibit all forms of forced or compulsory labour, except for essential public works and services, and then only in return for adequate remuneration;

"4. Shall protect the natives from abuse and measures of fraud and force by the careful supervision of labour contracts and the recruiting of labour;

"5. Shall exercise a strict control over the traffic in arms and ammunition and the sale of spirituous liquors.

"ARTICLE 6

"In the framing of laws relating to the holding or transfer of land, the Mandatory shall take into consideration native laws and customs, and shall respect the rights and safeguard the interests of the native population.

"No native land may be transferred, except between natives, without the previous consent of the public authorities, and no real rights over native land in favour of non-natives may be created, except with the same consent.

"The Mandatory will promulgate strict regulations against usury.

"ARTICLE 7

"The Mandatory shall secure to all nationals of States Members of the League of Nations the same rights as are enjoyed in the territory by his own nationals in respect of entry into and residence in the territory, the protection afforded to their person and property, the acquisition of property, movable and immovable, and the exercise of their profession or trade, subject only to the requirements of public order, and on condition of compliance with the local law.

"Further, the Mandatory shall ensure to all nationals of States Members of the League of Nations, on the same footing as to his own nationals, freedom of transit and navigation, and complete economic, commercial and industrial equality; provided that the Mandatory shall be free to organise essential public works and services on such terms and conditions as he thinks just.

"Concessions for the development of the natural resources of the territory shall be granted by the Mandatory without distinction on grounds of nationality between the nationals of all States Members of the League of Nations, but on such conditions as will maintain intact the authority of the local Government.

"Concessions having the character of a general monopoly shall not be granted. This provision does not affect the right of the Mandatory to create monopolies of a purely fiscal character in the interest of the territory under mandate, and in order to provide the territory with fiscal resources which seem best suited to the local requirements; or, in certain cases, to carry out the development of natural resources either directly by the State or by a controlled agency, provided that there shall result therefrom no monopoly of the natural resources for the benefit of the Mandatory or his nationals, directly or indirectly, nor any preferential advantage which shall be inconsistent with the economic, commercial and industrial equality hereinbefore guaranteed.

"The rights conferred by this article extend equally to companies and associations organised in accordance with the law of any of the Members of the League of Nations, subject only to the requirements of public order, and on condition of compliance with the local law.

"ARTICLE 8

"The Mandatory shall ensure in the territory complete freedom of conscience and the free exercise of all forms of worship which are consonant with public order and morality; missionaries who are nationals of States Members of the League of Nations shall be free to enter the territory and to travel and reside therein, to acquire and possess property, to erect religious buildings and to open schools throughout the territory; it being understood, however, that the Mandatory shall have the right to exercise such control as may be necessary for the maintenance of public order and good government, and to take all measures required for such control.

"ARTICLE 9

"The Mandatory shall apply to the territory any general international conventions already existing, or which may be concluded hereafter, with the approval of the League of Nations, respecting the slave trade, the traffic in arms and ammunition, the liquor traffic and the traffic in drugs, or relating to commercial equality, freedom of transit and navigation, aerial navigation, railways, postal, telegraphic and wireless communication and industrial, literary and artistic property.

"The Mandatory shall co-operate in the execution of any common policy adopted by the League of Nations for preventing and combating disease, including diseases of plants and animals.

"ARTICLE 10

"The Mandatory shall be authorized to constitute the territory into a customs, fiscal and administrative union or federation with the adjacent territories under his own sovereignty or control, provided always that the measures adopted to that end do not infringe the provisions of this mandate.

"ARTICLE 11

"The Mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council, containing full information concerning the measures taken to apply the provisions of this mandate.

"A copy of all laws and regulations made in the course of the year and affecting property, commerce, navigation or the moral and material well-being of the natives shall be annexed to this report.

"ARTICLE 12

"The consent of the Council of the League of Nations is required for any modification of the terms of this mandate.

"ARTICLE 13

"The Mandatory agrees that if any dispute whatever should arise between the Mandatory and another Member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by article 14 of the Covenant of the League of Nations.

"States Members of the League of Nations may likewise bring any claims on behalf of their nationals for infractions of their rights under this mandate before the said court for decision"; and

Whereas at its meeting of the 31st August, 1923, the Council of the League of Nations approved certain modifications of article 1 of the aforesaid mandate, which now reads as follows:—

"ARTICLE 1

"The territory over which a mandate is conferred upon His Britannic Majesty (hereinafter called the Mandatory) comprises that part of the territory of the former colony of German East Africa, situated to the east of the following line:—

"The mid-stream of the Kagera River from the Uganda boundary to the point where the Kagera River meets the western boundary of Bugufi;

"Thence this boundary to its junction with the eastern boundary of Urundi;

"Thence the eastern and southern boundary of Urundi to Lake Tanganyika"; and

Whereas the Government of His Britannic Majesty and the Government of the United States of America are desirous of reaching a definite understanding as to the rights of their respective Governments and of their nationals in the said territory:

The President of the United States of America and His Britannic Majesty have decided to conclude a convention to this effect, and have named as their plenipotentiaries:—

The President of the United States of America:

His Excellency the Honourable Frank B. Kellogg, Ambassador Extraordinary and Plenipotentiary of the United States at London:

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions Beyond the Seas, Emperor of India:

The Right Honourable Joseph Austen Chamberlain, M. P., His Majesty's Principal Secretary of State for Foreign Affairs: who, after having communicated to each other their respective full powers, found in good and due form, have agreed as follows:

ARTICLE 1

Subject to the provisions of the present convention, the United States consents to the administration by His Britannic Majesty, pursuant to the aforesaid mandate, of the former German territory described in article 1 of the mandate, hereinafter called the mandated territory.

ARTICLE 2

The United States and its nationals shall have and enjoy all the rights and benefits secured under the terms of articles 3, 4, 5, 6, 7, 8, 9 and 10 of the mandate to Members of the League of Nations and their nationals, notwithstanding the fact that the United States is not a member of the League of Nations.

ARTICLE 3

Vested United States property rights in the mandated territory shall be respected and in no way impaired.

ARTICLE 4

A duplicate of the annual report to be made by the Mandatory under article 11 of the mandate shall be furnished to the United States.

ARTICLE 5

Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above, unless such modification shall have been assented to by the United States.

ARTICLE 6

The Extradition treaties and conventions in force between the United States and the United Kingdom shall apply to the mandated territory.

ARTICLE 7

The present convention shall be ratified in accordance with the respective constitutional methods of the High Contracting Parties. The ratifications shall be exchanged at London as soon as practicable. It shall take effect on the date of the exchange of ratifications.

In witness whereof, the undersigned have signed the present convention, and have thereunto affixed their seals.

Done in duplicate at London, this 10th day of February, 1925.

[SEAL.]
[SEAL.]

FRANK B. KELLOGG
AUSTEN CHAMBERLAIN

RIGHTS IN TOGOLAND

In executive session this day, the following treaty was ratified, and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

To the Senate:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a Treaty between the Government of the United States and the Government of His Britannic Majesty, signed at London February 10, 1925, in regard to the rights of the respective Governments and their nationals in that part of the former German protectorate of Togoland over which a mandate was conferred upon His Britannic Majesty.

CALVIN COOLIDGE.

THE WHITE HOUSE,

Washington, March 3, 1925.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a treaty between the Government of the United States and the Government of His Britannic Majesty, signed at London, February 10, 1925, in regard to the rights of the respective Governments and their nationals in that part of the former German protectorate of Togoland over which a mandate was conferred upon His Britannic Majesty.

Respectfully submitted,

CHARLES E. HUGHES.

DEPARTMENT OF STATE,

Washington, March 2, 1925.

Whereas His Britannic Majesty has accepted a mandate for the administration of part of the former German protectorate of Togoland, the terms of which have been defined by the Council of the League of Nations as follows:—

"ARTICLE 1

"The territory for which a mandate is conferred upon His Britannic Majesty comprises that part of Togoland which lies to the west of the line laid down in the Declaration signed on the 10th July, 1919, of which a copy is annexed hereto.

"This line may, however, be slightly modified by mutual agreement between His Britannic Majesty's Government and the Government of the French Republic where an examination of the localities shows that it is undesirable, either in the interests of the inhabitants or by reason of any inaccuracies in the

map Sprigade 1:200,000 annexed to the Declaration, to adhere strictly to the line laid down therein.

"The delimitation on the spot of this line shall be carried out in accordance with the provisions of the said Declaration.

"The final report of the Mixed Commission shall give the exact description of the boundary line as traced on the spot; maps signed by the Commissioners shall be annexed to the report. This report, with its annexes, shall be drawn up in triplicate; one of these shall be deposited in the archives of the League of Nations, one shall be kept by His Britannic Majesty's Government, and one by the Government of the French Republic.

"ARTICLE 2

"The Mandatory shall be responsible for the peace, order and good government of the territory, and for the promotion to the utmost of the material and moral well-being and the social progress of its inhabitants.

"ARTICLE 3

"The Mandatory shall not establish in the territory any military or naval bases, nor erect any fortifications, nor organise any native military force except for local police purposes and for the defence of the territory.

"ARTICLE 4

"The Mandatory:

"1. Shall provide for the eventual emancipation of all slaves, and for as speedy an elimination of domestic and other slavery as social conditions will allow;

"2. Shall suppress all forms of slave trade;

"3. Shall prohibit all forms of forced or compulsory labour, except for essential public works and services, and then only in return for adequate remuneration;

"4. Shall protect the natives from abuse and measures of fraud and force by the careful supervision of labour contracts and the recruiting of labour;

"5. Shall exercise a strict control over the traffic in arms and ammunition and the sale of spirituous liquors.

"ARTICLE 5

"In the framing of laws relating to the holding or transfer of land, the Mandatory shall take into consideration native laws and customs, and shall respect the rights and safeguard the interests of the native population.

"No native land may be transferred, except between natives, without the previous consent of the public authorities, and no real rights over native land in favour of non-natives may be created, except with the same consent.

"The Mandatory shall promulgate strict regulations against usury.

"ARTICLE 6

"The Mandatory shall secure to all nationals of States Members of the League of Nations the same rights as are enjoyed in the territory by his own nationals in respect of entry into and residence in the territory, the protection afforded to their person and property and acquisition of property, movable and immovable, and the exercise of their profession or trade, subject only to the requirements of public order, and on condition of compliance with the local law.

"Further, the Mandatory shall ensure to all nationals of States Members of the League of Nations, on the same footing as to his own nationals, freedom of transit and navigation, and complete economic commercial and industrial equality, except that the Mandatory shall be free to organise essential public works and services on such terms and conditions as he thinks just.

"Concessions for the development of the natural resources of the territory shall be granted by the Mandatory without distinction on grounds of nationality between the nationals of all States Members of the League of Nations, but on such conditions as will maintain intact the authority of the local Government.

"Concessions having the character of a general monopoly shall not be granted. This provision does not affect the right of the Mandatory to create monopolies of a purely fiscal character in the interest of the territory under mandate and in order to provide the territory with fiscal resources which seem best suited to the local requirements; or, in certain cases, to carry out the development of natural resources, either directly by the State or by a controlled agency, provided that there shall result therefrom no monopoly of the natural resources for the benefit of the Mandatory or his nationals, directly or indirectly, nor any preferential advantage which shall be inconsistent with the economic, commercial and industrial equality hereinbefore guaranteed.

"The rights conferred by this article extend equally to companies and associations organised in accordance with the

law of any of the Members of the League of Nations, subject only to the requirements of public order, and on condition of compliance with the local law.

"ARTICLE 7

"The Mandatory shall ensure in the territory complete freedom of conscience and the free exercise of all forms of worship which are consonant with public order and morality; missionaries who are nationals of States Members of the League of Nations shall be free to enter the territory and to travel and reside therein, to acquire and possess property, to erect religious buildings and to open schools throughout the territory; it being understood, however, that the Mandatory shall have the right to exercise such control as may be necessary for the maintenance of public order and good government, and to take all measures required for such control.

"ARTICLE 8

"The Mandatory shall apply to the territory any general international conventions applicable to his contiguous territory.

"ARTICLE 9

"The Mandatory shall have full powers of administration and legislation in the area, subject to the mandate. This area shall be administered in accordance with the laws of the Mandatory as an integral part of his territory and subject to the above provisions.

"The Mandatory shall therefore be at liberty to apply his laws to the territory subject to the mandate with such modifications as may be required by local conditions, and to constitute the territory into a customs, fiscal or administrative union or federation with the adjacent territories under his sovereignty or control provided always that the measures adopted to that end do not infringe the provisions of this mandate.

"ARTICLE 10

"The Mandatory shall make to the Council of the League of Nations an annual report, to the satisfaction of the Council, containing full information concerning the measures taken to apply the provisions of this mandate.

"ARTICLE 11

"The consent of the Council of the League of Nations is required for any modification of the terms of this mandate.

"ARTICLE 12

"The Mandatory agrees that, if any dispute whatever should arise between the Mandatory and another Member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by article 14 of the Covenant of the League of Nations; and

Whereas the Government of His Britannic Majesty and the Government of the United States of America are desirous of reaching a definite understanding as to the rights of their respective Governments and of their nationals in the said territory:

The President of the United States of America and His Britannic Majesty have decided to conclude a convention to this effect, and have named as their plenipotentiaries:—

The President of the United States of America:

His Excellency the Honourable Frank B. Kellogg, Ambassador Extraordinary and Plenipotentiary of the United States at London:

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India:

The Right Honourable Joseph Austen Chamberlain, M. P., His Majesty's Principal Secretary of State for Foreign Affairs: who, after having communicated to each other their respective full powers, found in good and due form, have agreed as follows:—

ARTICLE 1

Subject to the provisions of the present convention, the United States consents to the administration by His Britannic Majesty, pursuant to the aforesaid mandate, of the former German territory described in article 1 of the mandate, hereinafter called the mandated territory.

ARTICLE 2

The United States and its nationals shall have and enjoy all the rights and benefits secured under the terms of articles 2, 3, 4, 5, 6, 7, 8 and 9 of the mandate to Members of the League of Nations and their nationals, notwithstanding the fact that the United States is not a Member of the League of Nations.

ARTICLE 3

Vested United States property rights in the mandated territory shall be respected and in no way impaired.

ARTICLE 4

A duplicate of the annual report to be made by the Mandatary under article 10 of the mandate shall be furnished to the United States.

ARTICLE 5

Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above, unless such modification shall have been assented to by the United States.

ARTICLE 6

The Extradition treaties and conventions in force between the United States and the United Kingdom shall apply to the mandated territory.

ARTICLE 7

The present convention shall be ratified in accordance with the respective constitutional methods of the High Contracting Parties. The ratifications shall be exchanged at London as soon as practicable. It shall take effect on the date of the exchange of ratifications.

In witness whereof, the undersigned have signed the present convention, and have thereunto affixed their seals.

Done in duplicate at London, this 10th day of February, 1925.

[SEAL]
[SEAL]

FRANK B. KELLOGG
AUSTEN CHAMBERLAIN

RECESS

Mr. JONES of Washington. I move that the Senate take a recess, the recess being until noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, March 18, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 17 (legislative day of March 15), 1926

COLLECTOR OF CUSTOMS

A. Lincoln Acker, of Philadelphia, Pa., to be collector of customs for customs-collection district No. 11, with headquarters at Philadelphia, Pa. Reappointment.

COAST AND GEODETIC SURVEY

The following-named officers of the Coast and Geodetic Survey to the positions indicated below:

TO BE AID WITH RELATIVE RANK OF ENSIGN IN THE NAVY

William Francis White, of Massachusetts, vice H. A. Paton, promoted.

Edward John Burke, of Massachusetts, vice A. F. Jankowski, promoted.

TO BE JUNIOR HYDROGRAPHER AND GEODETIC ENGINEER WITH RELATIVE RANK OF LIEUTENANT, JUNIOR GRADE, IN THE NAVY

Hubert Alexander Paton, of Arkansas, vice A. W. Skilling, resigned.

Alexander Francis Jankowski, of Nebraska, vice L. B. Clore, resigned.

Carl Ingman Aslakson, of Minnesota, vice W. H. Overshiner, resigned.

Samuel Barker Grenell, of New York, vice C. J. Itter, jr., resigned.

Riley Jacob Sipe, of Ohio, vice W. T. Coombs, promoted.

William Francis Malnate, of Massachusetts, vice H. B. Brown, resigned.

Carl Fred Elders, of Iowa, vice F. E. Joekel, resigned.

Frank Gerard Johnson, of Massachusetts, vice B. E. Lancaster, resigned.

Paul Albert Smith, of Michigan, vice W. G. Craib, resigned.

PROMOTIONS IN THE NAVY

MARINE CORPS

Lieut. Col. John C. Beaumont to be a colonel in the Marine Corps from the 24th day of February, 1926.

Maj. Walter N. Hill to be a lieutenant colonel in the Marine Corps from the 24th day of February, 1926.

Capt. Clyde H. Metcalf to be a major in the Marine Corps from the 26th day of June, 1925.

First Lieut. Albert B. Sage to be a captain in the Marine Corps from the 3d day of December, 1925.

First Lieut. John D. Lockburner to be a captain in the Marine Corps from the 19th day of January, 1926.

Second Lieut. James M. Smith to be a first lieutenant in the Marine Corps from the 3d day of December, 1925.

POSTMASTERS

ALABAMA

Hiram T. Graves to be postmaster at Crossville, Ala., in place of H. T. Graves. Incumbent's commission expires March 17, 1926.

John E. Sutterer to be postmaster at Cullman, Ala., in place of J. E. Sutterer. Incumbent's commission expires March 17, 1926.

Joe L. Hinson to be postmaster at East Tallassee, Ala., in place of J. L. Hinson. Incumbent's commission expires March 17, 1926.

Andrew J. Beard to be postmaster at Jacksonville, Ala., in place of A. J. Beard. Incumbent's commission expires March 18, 1926.

William K. Black to be postmaster at Millport, Ala., in place of W. K. Black. Incumbent's commission expires March 17, 1926.

Annie M. Stevenson to be postmaster at Notasulga, Ala., in place of A. M. Stevenson. Incumbent's commission expired November 15, 1925.

L. Rather Day to be postmaster at Albany, Ala., in place of L. E. Huie, resigned.

G. Aubrey Sayers to be postmaster at Tallassee, Ala., in place of I. G. Mathews, removed.

ALASKA

Jacob Otness to be postmaster at Petersburg, Alaska, in place of Jacob Otness. Incumbent's commission expired March 16, 1926.

CALIFORNIA

Ed Lewis to be postmaster at Marysville, Calif., in place of Ed Lewis. Incumbent's commission expired March 14, 1926.

Forest E. Paul to be postmaster at Pacific Grove, Calif., in place of James Harper, removed.

COLORADO

Frank L. Dodge to be postmaster at Denver, Colo., in place of F. L. Dodge. Incumbent's commission expires March 18, 1926.

Fred M. Moore to be postmaster at Littleton, Colo., in place of F. M. Moore. Incumbent's commission expired February 20, 1926.

Vivian A. Flaugh to be postmaster at Pagosa Springs, Colo., in place of V. A. Flaugh. Incumbent's commission expired July 28, 1925.

Edward W. Roscoe to be postmaster at Ridgway, Colo., in place of E. W. Roscoe. Incumbent's commission expires March 18, 1926.

CONNECTICUT

William E. Hazen to be postmaster at Georgetown, Conn., in place of W. E. Hazen. Incumbent's commission expired January 21, 1926.

DELAWARE

Ella W. Johnson to be postmaster at Newport, Del., in place of E. W. Johnson. Incumbent's commission expired March 14, 1926.

FLORIDA

Silas E. Yon to be postmaster at Blountstown, Fla., in place of S. E. Yon. Incumbent's commission expires March 18, 1926.

ILLINOIS

Clarence L. Kiger to be postmaster at Cisne, Ill., in place of C. L. Kiger. Incumbent's commission expired March 16, 1926.

Arthur F. Eberlin to be postmaster at Hardin, Ill., in place of A. F. Eberlin. Incumbent's commission expired March 16, 1926.

Edwin W. Perkins to be postmaster at Newark, Ill., in place of Orrie Dunbar. Incumbent's commission expired November 8, 1925.

Myron W. Hughes to be postmaster at Wauconda, Ill., in place of M. W. Hughes. Incumbent's commission expired March 14, 1926.

INDIANA

Cadmus C. Funk to be postmaster at English, Ind., in place of C. C. Funk. Incumbent's commission expired March 1, 1926.

IOWA

Earl P. Tucker to be postmaster at Panora, Iowa, in place of E. P. Tucker. Incumbent's commission expires March 18, 1926.

Fred P. Carothers to be postmaster at Nodaway, Iowa, in place of Elizabeth Friman, resigned.

KANSAS

Bertha McClair to be postmaster at Carbondale, Kans., in place of Bertha McClair. Incumbent's commission expires March 18, 1926.

Francis E. Williams to be postmaster at Elgin, Kans., in place of F. E. Williams. Incumbent's commission expires March 18, 1926.

Florence M. Heinz to be postmaster at Grainfield, Kans., in place of F. M. Heinz. Incumbent's commission expires March 18, 1926.

KENTUCKY

Benoni H. Lott to be postmaster at Lewisport, Ky., in place of B. H. Lott. Incumbent's commission expired March 16, 1926.

Mike C. Winfrey to be postmaster at Columbia, Ky., in place of M. E. Wilson, deceased.

LOUISIANA

Harry R. Mock to be postmaster at Baskin, La., in place of H. R. Mock. Incumbent's commission expired March 2, 1926.

Eugenie L. Richard to be postmaster at Bayou Goula, La., in place of E. L. Richard. Incumbent's commission expired March 14, 1926.

Russell A. Dilly to be postmaster at Clinton, La., in place of R. A. Dilly. Incumbent's commission expired March 14, 1926.

H. Ernest Benefiel to be postmaster at Kenner, La., in place of H. E. Benefiel. Incumbent's commission expired March 14, 1926.

Theodore A. Rains to be postmaster at Marthaville, La., in place of T. A. Rains. Incumbent's commission expired March 14, 1926.

Leonard L. Thompson to be postmaster at Montgomery, La., in place of L. L. Thompson. Incumbent's commission expired March 7, 1926.

MARYLAND

Lloyd T. Hayden to be postmaster at Centerville, Md., in place of L. T. Hayden. Incumbent's commission expired February 21, 1926.

George E. Lane to be postmaster at Queenstown, Md., in place of G. E. Lane. Incumbent's commission expired January 24, 1926.

MASSACHUSETTS

William E. Gibson to be postmaster at West Bridgewater, Mass., in place of W. E. Gibson. Incumbent's commission expires March 17, 1926.

MICHIGAN

LeeRoy Perry to be postmaster at Grand Blanc, Mich., in place of M. G. Cook. Incumbent's commission expired August 11, 1925.

Frank J. Gravelle to be postmaster at Rapid River, Mich., in place of F. J. Gravelle. Incumbent's commission expired August 24, 1925.

George W. Davis to be postmaster at Tekonsha, Mich., in place of G. W. Davis. Incumbent's commission expires March 18, 1926.

James M. Bonine to be postmaster at Vandalla, Mich., in place of J. M. Bonine. Incumbent's commission expires March 18, 1926.

MINNESOTA

Cleifton M. Krogh to be postmaster at Argyle, Minn., in place of C. M. Krogh. Incumbent's commission expired December 22, 1925.

Johannes A. Bloom to be postmaster at Chisago City, Minn., in place of J. A. Bloom. Incumbent's commission expires March 18, 1926.

William Edmond to be postmaster at Claremont, Minn., in place of O. F. Way. Incumbent's commission expired November 22, 1925.

Edgar Stivers to be postmaster at Dodge Center, Minn., in place of Edgar Stivers. Incumbent's commission expires March 18, 1926.

Charles F. Whitford to be postmaster at Henderson, Minn., in place of Charles Beecher. Incumbent's commission expired November 22, 1925.

Frank J. Machacek to be postmaster at Lonsdale, Minn., in place of J. W. Douda. Incumbent's commission expired November 22, 1925.

Charley P. Fossey to be postmaster at Lyle, Minn., in place of C. P. Fossey. Incumbent's commission expires March 18, 1926.

Ole E. Nelson to be postmaster at Marietta, Minn., in place of O. E. Nelson. Incumbent's commission expires March 18, 1926.

George M. Young to be postmaster at Perham, Minn., in place of G. M. Young. Incumbent's commission expires March 18, 1926.

William J. Colgan to be postmaster at Rosemount, Minn., in place of W. J. Colgan. Incumbent's commission expires March 18, 1926.

Harvey Harris to be postmaster at Vesta, Minn., in place of Harvey Harris. Incumbent's commission expired October 6, 1925.

Francis H. Densmore to be postmaster at Wilmont, Minn., in place of F. H. Densmore. Incumbent's commission expires March 18, 1926.

MISSISSIPPI

Hubbard E. McClurg to be postmaster at Ruleville, Miss., in place of H. E. McClurg. Incumbent's commission expired February 7, 1926.

MISSOURI

Lester C. Snoddy to be postmaster at Ash Grove, Mo., in place of L. C. Snoddy. Incumbent's commission expired March 8, 1926.

Edward Early to be postmaster at Baring, Mo., in place of Edward Early. Incumbent's commission expires March 18, 1926.

Fred L. Mills to be postmaster at Commerce, Mo., in place of F. L. Mills. Incumbent's commission expires March 18, 1926.

Albert G. Reeves to be postmaster at Lucerne, Mo., in place of A. G. Reeves. Incumbent's commission expires March 18, 1926.

Hubert Lamb to be postmaster at Pineville, Mo., in place of Hubert Lamb. Incumbent's commission expired August 4, 1925.

Clarice C. Lloyd to be postmaster at Valley Park, Mo., in place of C. C. Lloyd. Incumbent's commission expires March 18, 1926.

Elizabeth Middleton to be postmaster at Kingsville, Mo. Office became presidential July 1, 1925.

Gussie C. Henneke to be postmaster at Leslie, Mo., in place of O. H. Remmert, removed.

Joseph G. Gresham to be postmaster at Queen City, Mo., in place of L. C. Brower, deceased.

MONTANA

James S. Honnold to be postmaster at Joliet, Mont., in place of J. S. Honnold. Incumbent's commission expired March 16, 1926.

NEBRASKA

Erma L. Thompson to be postmaster at Dunning, Nebr., in place of E. L. Thompson. Incumbent's commission expired March 16, 1926.

Charles Leu to be postmaster at Elkhorn, Nebr., in place of Charles Leu. Incumbent's commission expired March 16, 1926.

Bert L. Strauser to be postmaster at Madrid, Nebr., in place of B. L. Strauser. Incumbent's commission expired March 16, 1926.

Philip Stein to be postmaster at Plainview, Nebr., in place of Philip Stein. Incumbent's commission expired February 10, 1926.

NEW HAMPSHIRE

Webb Little to be postmaster at Campton, N. H., in place of Webb Little. Incumbent's commission expired March 16, 1926.

Samuel G. Blaisdell to be postmaster at Milton, N. H., in place of S. G. Blaisdell. Incumbent's commission expired March 16, 1926.

NEW MEXICO

Charles Neustadt to be postmaster at Grant, N. Mex., in place of Carl Seligman, resigned.

NEW JERSEY

Charles H. Ellis to be postmaster at Camden, N. J., in place of C. H. Ellis. Incumbent's commission expires March 18, 1926.

Harry T. Hagaman to be postmaster at Lakewood, N. J., in place of H. T. Hagaman. Incumbent's commission expires April 7, 1926.

Frank E. Marinaccio to be postmaster at Madison, N. J., in place of F. E. Marinaccio. Incumbent's commission expired February 3, 1926.

NEW YORK

James Avery to be postmaster at Aurora, N. Y., in place of James Avery. Incumbent's commission expired March 16, 1926.

Earle L. Burdick to be postmaster at Belmont, N. Y., in place of E. L. Burdick. Incumbent's commission expired March 16, 1926.

William J. Scott to be postmaster at Black River, N. Y., in place of W. J. Scott. Incumbent's commission expired March 16, 1926.

Hugh M. Hall to be postmaster at Cassadaga, N. Y., in place of H. M. Hall. Incumbent's commission expired March 16, 1926.

Lincoln G. Hawn to be postmaster at Evans Mills, N. Y., in place of L. G. Hawn. Incumbent's commission expired March 16, 1926.

Harvey S. Decker to be postmaster at Germantown, N. Y., in place of H. S. Decker. Incumbent's commission expired March 16, 1926.

Clarence E. Hirsch to be postmaster at Lindenhurst, N. Y., in place of C. E. Hirsch. Incumbent's commission expired March 16, 1926.

George E. Gladstone to be postmaster at Margaretville, N. Y., in place of G. E. Gladstone. Incumbent's commission expired March 16, 1926.

Benjamin S. Helmer to be postmaster at Mohonk Lake, N. Y., in place of B. S. Helmer. Incumbent's commission expired March 16, 1926.

Milton Jeffery to be postmaster at New Woodstock, N. Y., in place of Milton Jeffery. Incumbent's commission expired March 16, 1926.

Chester J. Hinman to be postmaster at Palenville, N. Y., in place of C. J. Hinman. Incumbent's commission expires March 20, 1926.

Henry A. Cole to be postmaster at Pine Hill, N. Y., in place of H. A. Cole. Incumbent's commission expired March 14, 1926.

Frederick Harrigan to be postmaster at Roosevelt, N. Y., in place of Frederick Harrigan. Incumbent's commission expired March 16, 1926.

Gilford L. Hadley to be postmaster at Sandy Creek, N. Y., in place of G. L. Hadley. Incumbent's commission expired March 16, 1926.

Howard M. Brush to be postmaster at Smithtown Branch, N. Y., in place of H. M. Brush. Incumbent's commission expired March 16, 1926.

Scott E. Phinney to be postmaster at Westport, N. Y., in place of S. E. Phinney. Incumbent's commission expired March 16, 1926.

NORTH CAROLINA

Lawson M. Almond to be postmaster at Albemarle, N. C., in place of L. M. Almond. Incumbent's commission expires March 18, 1926.

Minnie T. Moore to be postmaster at Atkinson, N. C., in place of M. T. Moore. Incumbent's commission expires March 18, 1926.

Madison L. Wilson to be postmaster at Bakersville, N. C., in place of M. L. Wilson. Incumbent's commission expires March 18, 1926.

James D. Andrews to be postmaster at Fairmont, N. C., in place of J. D. Andrews. Incumbent's commission expires March 18, 1926.

Herbert H. Miller to be postmaster at Hickory, N. C., in place of H. H. Miller. Incumbent's commission expires March 18, 1926.

Wayne E. Bailey to be postmaster at Chadbourne, N. C., in place of H. M. Bullard, resigned.

NORTH DAKOTA

Kathryn Savage to be postmaster at Braddock, N. Dak., in place of Kathryn Savage. Incumbent's commission expired March 14, 1926.

Charles E. Harding to be postmaster at Churchs Ferry, N. Dak., in place of C. E. Harding. Incumbent's commission expired March 14, 1926.

Anna A. Bjornson to be postmaster at Kulm, N. Dak., in place of A. A. Bjornson. Incumbent's commission expired March 14, 1926.

Anthony Hentges to be postmaster at Michigan, N. Dak., in place of Anthony Hentges. Incumbent's commission expired March 14, 1926.

Andrew D. Cochrane to be postmaster at York, N. Dak., in place of A. D. Cochrane. Incumbent's commission expired March 14, 1926.

OHIO

James F. Bumpus to be postmaster at Butler, Ohio, in place of J. F. Bumpus. Incumbent's commission expires March 18, 1926.

Mary B. Wanamaker to be postmaster at Cortland, Ohio, in place of M. B. Wanamaker. Incumbent's commission expires March 18, 1926.

Franklin H. Smalley to be postmaster at Jeromesville, Ohio, in place of F. H. Smalley. Incumbent's commission expires March 18, 1926.

Lester L. Leech to be postmaster at New London, Ohio, in place of L. L. Leech. Incumbent's commission expired July 28, 1925.

Monto B. Coffin to be postmaster at New Vienna, Ohio, in place of M. B. Coffin. Incumbent's commission expires March 18, 1926.

Francis M. Hiett to be postmaster at Spring Valley, Ohio, in place of F. M. Hiett. Incumbent's commission expires March 18, 1926.

Cassius C. Stephenson to be postmaster at Yellow Springs, Ohio, in place of C. C. Stephenson. Incumbent's commission expires March 18, 1926.

OREGON

Elsie R. Johnson to be postmaster at Florence, Oreg., in place of W. H. Weatherston, deceased.

OKLAHOMA

Frank R. Holt to be postmaster at Osage, Okla., in place of R. E. Cline. Incumbent's commission expired November 22, 1925.

Milton F. Gaylor to be postmaster at Slick, Okla., in place of M. F. Gaylor. Incumbent's commission expired February 9, 1926.

PENNSYLVANIA

Herman L. Levy to be postmaster at Daisytown, Pa., in place of H. L. Levy. Incumbent's commission expired January 5, 1926.

Effie M. Lang to be postmaster at Fort Washington, Pa., in place of E. M. Lang. Incumbent's commission expired February 6, 1926.

Thomas H. Probert to be postmaster at Hazleton, Pa., in place of T. H. Probert. Incumbent's commission expires March 17, 1926.

Mary V. Clemens to be postmaster at Linfield, Pa., in place of M. V. Clemens. Incumbent's commission expired February 7, 1926.

James R. Davis to be postmaster at McAllisterville, Pa., in place of J. R. Davis. Incumbent's commission expired February 2, 1926.

Charles B. Lengel to be postmaster at Newmanstown, Pa., in place of C. B. Lengel. Incumbent's commission expired March 14, 1926.

Frank A. Householder to be postmaster at Oakmont, Pa., in place of John Bannen. Incumbent's commission expired February 6, 1926.

Archibald E. Patterson to be postmaster at Orangeville, Pa., in place of A. E. Patterson. Incumbent's commission expired December 22, 1925.

Edwin S. Burgham to be postmaster at Parnassus, Pa., in place of E. S. Burgham. Incumbent's commission expired March 14, 1926.

John F. Harshey to be postmaster at Penn, Pa., in place of J. F. Harshey. Incumbent's commission expired March 14, 1926.

Harry Z. Wampole to be postmaster at Telford, Pa., in place of H. Z. Wampole. Incumbent's commission expired February 6, 1926.

Max A. Crain to be postmaster at Winburne, Pa., in place of M. A. Crain. Incumbent's commission expired February 2, 1926.

Erma E. Moyer to be postmaster at Bechtelsville, Pa., in place of L. G. Weller, deceased.

PORTO RICO

Cesar Rossy to be postmaster at Ciales, P. R., in place of Cesar Rossy. Incumbent's commission expires March 17, 1926.

America Rossy to be postmaster at Ensenada, P. R., in place of America Rossy. Incumbent's commission expires March 17, 1926.

TENNESSEE

John H. Poston to be postmaster at Henning, Tenn., in place of J. H. Poston. Incumbent's commission expires March 18, 1926.

TEXAS

Lee Brown to be postmaster at Blanco, Tex., in place of Leo Brown. Incumbent's commission expired March 2, 1926.

Shirley F. Cox to be postmaster at Mobeetie, Tex., in place of S. P. Cox. Incumbent's commission expired February 22, 1926.

Sidney J. Eaton to be postmaster at Mullin, Tex., in place of S. J. Eaton. Incumbent's commission expired February 14, 1926.

Frances A. Ragan to be postmaster at Manning, Tex., in place of A. L. Thompson, resigned.

VIRGINIA

S. Leon Lewis to be postmaster at Luni, Va., in place of J. B. Crumpler, resigned.

WASHINGTON

Eugene J. Edson to be postmaster at Coulee, Wash., in place of E. J. Edson. Incumbent's commission expired February 10, 1926.

Gordon C. Moores to be postmaster at Kennewick, Wash., in place of G. C. Moores. Incumbent's commission expired February 16, 1926.

Everett E. Cox to be postmaster at Wapato, Wash., in place of J. T. Johnston, resigned.

WEST VIRGINIA

Claude S. Randall to be postmaster at Shinnston, W. Va., in place of Hugh H. Swiger. Incumbent's commission expired November 17, 1925.

Omar G. Robinson to be postmaster at Summersville, W. Va., in place of R. E. Horan, resigned.

WISCONSIN

Illma Dugal to be postmaster at Cadott, Wis., in place of Illma Dugal. Incumbent's commission expired November 23, 1925.

William A. Roblier to be postmaster at Coloma, Wis., in place of W. A. Roblier. Incumbent's commission expires March 20, 1926.

Roy E. Lawler to be postmaster at Gordon, Wis., in place of R. E. Lawler. Incumbent's commission expires March 20, 1926.

William L. Chesley to be postmaster at Lena, Wis., in place of W. L. Chesley. Incumbent's commission expires March 20, 1926.

Fred S. Thompson to be postmaster at Superior, Wis., in place of F. S. Thompson. Incumbent's commission expires March 18, 1926.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 17 (legislative day of March 15), 1926

JUDGE OF MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

James A. Cobb to be judge of the municipal court, District of Columbia.

POSTMASTERS

COLORADO

Charley W. Mickey, Rico.
John W. Hultquist, Wray.

INDIANA

Jacob W. Mintzer, Ashley.
Edgar H. Newlin, Bloomington.
Byron B. Ganger, Bristol.
William O. Nation, Centerpoint.
Arthur F. Saylor, New Paris.

MAINE

George H. Howe, Caribou.
Charles F. Huff, Orrs Island.
La Forest T. Spear, Rockport.

NEW HAMPSHIRE

Almon W. Eaton, Wolfeboro.

NORTH DAKOTA

Abbie L. Boyd, Pingree.

OKLAHOMA

Walker D. Guthrie, Granite.

PENNSYLVANIA

George V. Glenn, East Butler.
Horace L. Couch, New Brighton.
Lewis H. Blank, New Salem.
Wilbur J. Woodring, Port Matilda.

VIRGINIA

Griffith S. Marchant, Mathews.
George E. Jones, Painter.

REJECTION

Executive nomination rejected by the Senate March 17 (legislative day of March 15), 1926

JUDGE OF UNITED STATES CIRCUIT COURT

Wallace McCamant, of Oregon, to be United States circuit judge, ninth circuit.

HOUSE OF REPRESENTATIVES

WEDNESDAY, March 17, 1926

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord God, Thy revelations are so merciful and gracious that we are unequal to the task of definition, but read our hearts and accept their offerings. Keep us loyal to our own lives, and may we never be contented until we find our higher selves. Show us the way, and may we stand and walk where the silver light falls. Bestow upon our country blessings of peace, plenty, and prosperity. Bless all peoples within our borders, and make us one in faith and loyalty. We are grateful for the sons of God who have blessed and lifted the world nearer heaven and made goodness easier in the breasts of men. May a wave of good will continue to sweep over our land, and let the controlling, the converting, and restoring spirit of God come to the Old World and make it new and fresh and clean. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE

Mr. JACOBSTEIN, by unanimous consent, was granted leave of absence, for 10 days, on account of illness in his family.

LEGISLATIVE APPROPRIATION BILL

Mr. DICKINSON, of Iowa, by direction of the Committee on Appropriations, submitted for printing under the rule the bill (H. R. 10425) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1927, and for other purposes, which was read the first and second time and, with the accompanying report (No. 568), was referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TAYLOR of Colorado. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Colorado reserves all points of order on the bill.

SENATE BILLS AND RESOLUTIONS REFERRED

Senate bills and resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 113. An act for the relief of the owner of the American barge *Texaco No. 153*; to the Committee on Claims.

S. 646. An act for the relief of F. M. Gray, jr., Co.; to the Committee on Claims.

S. 1456. An act authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson; to the Committee on Claims.

S. 1828. An act for the relief of Lieut. (Junior Grade) Thomas J. Ryan, United States Navy; to the Committee on Claims.

S. 1885. An act for the relief of James C. Minon; to the Committee on Naval Affairs.

S. 1912. An act to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$3,000 in any one case; to the Committee on Claims.

S. 2083. An act for the relief of Charles Wall; to the Committee on Naval Affairs.

S. 2085. An act to correct the naval record of John Cronin; to the Committee on Naval Affairs.

S. 2158. An act for the relief of certain disbursing officers of the office of Superintendent State, War, and Navy Department Building; to the Committee on Claims.

S. 2215. An act for the relief of James E. Simpson; to the Committee on Claims.

S. 2296. An act authorizing insurance companies or associations or fraternal or beneficial societies to file bills of interpleader; to the Committee on the Judiciary.

S. 2752. An act for the purchase of land as an artillery range at Fort Ethan Allen, Vt.; to the Committee on Military Affairs.

S. 2769. An act to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes; to the Committee on Banking and Currency.

S. 3010. An act to reimburse certain fire-insurance companies the amounts paid by them for property destroyed by fire in suppressing bubonic plague in the Territory of Hawaii in the years 1899 and 1900; to the Committee on Claims.